



TOWN OF NORWELL
Norwell Town Offices, Room 112
345 Main Street
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Norwell Advisory Board Meeting Minutes

March 5, 2024

The Advisory Board was called to order by Chair Elizabeth Hibbard at 7:30 PM. Also present were Town Administrator Darleen Sullivan, Finance Director Christine McCarthy, and Board Members Bob Perniola, Brian D'Souza, John McGrath, Matthew Hanson, Thomas Sullivan, and John LaCara. Unable to attend were Ed Maguire and Dane Hutchison.

AGENDA

Motion by Mr. Perniola to approve the agenda as submitted/amended. Seconded by Mr. LaCara and unanimously voted.

ADMINISTRATIVE MATTERS

Minutes

Tabled

Reserve Fund Transfer Requests

None

FY 2025 BUDGET OVERVIEW

School Department

Superintendent Matt Keegan present along with School Committee Chair Christina Kane. The FY 25 budget proposes a 3.53% increase. They will be requesting additional funds, through articles and capital requests, for equipment and technology upgrades, and for out of district special education tuitions. Ms. Kane added that "the school budget has become compromised" regarding certain update cycles, and they may be asking for an override for FY 26 despite careful management of funds.

Mr. Keegan noted that most of the School Committee was in attendance along with several principals and other staffers, and opened with an overview of the annual budgeting process. In September/October, they work with a "congress" of school councils, faculty, and staff to identify and prioritize needs. Mr. Keegan and the principals use this information to develop an executive budget, which the School Committee then refines and presents to Town Administration, Advisory Board, and Town Meeting. The "initial request" budget came in with a 6.13% increase that was reduced to 3.5% at the Executive Budget stage, which was then adjusted to a 3.53% increase, working with Town Administration, to fund additional safety maintenance. The budget is "level services" as proposed, but additional cuts will be needed if some of the capital or article funding is not approved.

Major budget categories include salaries, out of district tuitions, and "other," with salaries accounting for over 80% of the budget - "salaries is our main driver without question." The major components of "other" include transportation, utilities, technology, and supplies/materials. The

budget request for technology is down in part because of the article funding requests, while custodial supplies are up. The Town's solar credits have helped with utility expenses.

The budget includes contractually negotiated salary increases. Based on a recommendation from the "congress of councils," they have restructured a full-time math aide position to a half-time math aide/half-time math teacher position; this will yield some cost savings and allow "exploratory" math teachers to cover other areas. Staffing requests cut from the initial budget include a High School business teacher and counselor, middle school counselor and "exploratory" teacher, elementary school math and STEM specialists, and district-wide nursing support. Mr. Keegan noted that new regulations require that a nurse accompany students requiring nursing support on field trips, which requires them to utilize substitute nurses. They are hoping grant funding for this need will become available from the Department of Elementary and Secondary Education (DESE).

Mr. Keegan also discussed the instructional technology updating cycle, which this year includes iPads for incoming 6th and 9th grade students and article requests for technology and WiFi upgrades. Textbook updates are also made according to a 5-6 year cycle, reflecting the licensing cycle for access to publishers' online materials. Some of the District's older laptops will no longer support MCAS testing. They are also in the process of replacing aging elementary school smart boards. Keeping to the update cycle ensures continued access to and delivery of the curriculum.

Mr. Keegan characterized the technology updating cycle as "compromised" in terms of the rotating teacher laptop-WiFi/server updates, but curriculum updates remain on-cycle; these are harder to maintain with article or override funds given the uncertainty of how much funding, if any, is ultimately approved. Curricular updates for FY 25 include elementary and middle school math and district-wide health and wellness and are budgeted at \$175,495 compared to \$243,600 last year, but the costs are projected to be higher in coming fiscal years.

Building maintenance cycle includes ongoing roof maintenance that Mr. Keegan characterized as very beneficial, as well as exterior painting at the Vinal and safety communications maintenance. They have submitted a \$25,000 capital request to fix an area of the roof at the Vinal School so it will last to the 5-10 year renovation point.

The Town's bus contract is budgeted to increase \$44K to \$1,367,512 but special education (SPED) transport decreases from \$575,000 to \$382,000, as several students have opted for residential placements. The Town receives a "circuit breaker" offset for SPED transport which is listed as \$100,000. The McKinney Vento Act requires the Town to cover transport if a homeless student opts to continue attendance at the district in which they were previously enrolled; FY 25 expenses are projected to increase by \$25,000 to \$70,000; Mr. Keegan suggests "this is something we must end" as expenses are very difficult to forecast; they are reimbursed to the Town but currently the reimbursement goes into the General Fund. "This is a budget buster for me every year."

Special education is considered an entitlement that the Town must offer to students aged 3–22 with disabilities. The Town's first dollars must be applied to these expenses, and the Town must reduce its budget, or raise additional funds, during the year if it cannot meet its SPED obligations. Options for such placements include neighboring districts with additional services, "collaborative" programs formed by local school districts to save costs, and state-approved private and/or residential schools. The Department also receives circuit breaker reimbursement from the state for Special Education expenses beyond a certain threshold ("that just keeps going up"), a portion

of which can be rolled over to the next FY. It is recommended that the full reimbursement be carried over but this is extremely difficult in practice. This year's circuit breaker threshold is \$51,721 per placement, with 75% of expenses beyond this amount eligible for reimbursement. The state has recently allowed eligible transportation expenses to count towards the threshold, but actual reimbursement percentages can vary depending on state finances and are only disclosed in late August/early September. Ms. Kane notes that tuition costs are also affected by move-ins or move-outs - "It's something that is constantly changing." Mr. McGrath inquired about possible fifth quarter state reimbursement; Mr. Keegan indicated any such reimbursement would apply to the FY 24 budget as this would come in June, before the fiscal year ends.

Mr. Keegan noted that the range of private school tuition approved by the state increased 14% last year, as opposed to the usual 3% approved increase, and this has prompted many school districts to ask for additional funds. Collaborative placements are generally less expensive, and the Town gets a reduced rate from its membership in the South Shore Educational Collaborative. Currently, there are 31 students with out-of-district special education placements.

The Department started a special education stabilization fund, funded by the Town, in 2016 to help address SPED costs. Mr. Keegan states they had reduced their special education tuition budget by \$100,000, to \$1,450,000, last year after meeting with Town Administration. He had recommended at that time that the Town add \$100,000 to the Fund if possible, but this did not happen. They are increasing their budget to \$1,500,000 this year "because that's all I can afford to add," but this needs to be increased by at least \$500,000 annually moving forward if they are to avoid requesting additional funds each year - "Stabilization and articles only help for one year and do not solve the problem." Circuit breaker reimbursement reserves are almost completely depleted at this point, and FY 24 out of district SPED tuition cost is forecast to be \$3,684,000 against an expected cost of \$3,050,000 at the time the FY 24 budget was devised. Since October of 2022, 11 students' entitlement to SPED ended but 8 students requiring more costly placements were added.

Chapter 70 state aid is forecast at \$63K, down from FY 24's \$260K and FY 23's \$659,529, but the final number may change. Mr. Keegan and other superintendents are reaching out to the Legislature for an increase in the final aid number. Ms. Hibbard asked how Chapter 70 aid is allocated to different districts; Mr. Keegan advised that the recent Student Opportunities Act rewrote the Chapter 70 formula to emphasize low-income, ELL, and SPED students to the Town's disadvantage. Ms. Kane added that last year, the Town asked that the Chapter 70 reimbursement be allocated to the Town rather than the circuit breaker budget, which, along with McKinney Vento, affects the amount of their article funding ask. Ms. Hibbard asks how Chapter 70 monies are usually allocated once received; Mr. Keegan notes that this varies, and some years the Town provides funds over and above the Chapter 70 money; he and Town Administration are in regular dialogue on this matter.

All present discuss SPED tuition financing in greater depth. Mr. Keegan noted the addition of eight costly placements this year was a far greater change than usual - "I hoping we're not going to see something like that again." Passage of the SPED tuition article will give the Department a positive balance going into FY 26 provided there are no additional move-ins or placements; without it, the Department would have to cut other parts of the budget due to the "first dollars" requirement. They will need to make similar asks in the following years unless the budgetary contribution is increased. Ms. Kane notes that other towns put forth similar articles every year to fund their tuition obligations; when they don't pass, the resulting cuts affect the quality of

education in their districts. “We put ourselves in an unpredictable predicament if we’re continually asking for articles at Town Meeting.”

Mr. Keegan compared the proposed FY 25 budget against FY 23 actuals and the approved FY 24 budget. Ms. Hibbard noted that the School Committee line is proposed to increase by over \$19,000. Mr. Keegan advised the increase was to fund a required three-year strategic plan with the Teaching and Learning Alliance. Ms. Hibbard expressed concern regarding the optics of the budget increase and recommended that it be requested through an article, as it is a one-time expense. Mr. Keegan stated that the plan is needed for legal compliance purposes, and notes he does not ask for article money when the Legal line goes up due to collective bargaining negotiations. TLA has already started work on the plan, although they do not have to be paid until July 1 - “I have already signed off on this.” Ms. Kane adds that Norwell’s administrative office is smaller relative to other towns, where a salaried Assistant Superintendent might take on this task. Board members expressed concern that the line will remain at the same level once it is raised, even after the study is done, but Ms. Kane notes that an article requesting funds for a strategic plan may be harder for residents to embrace compared to articles for something more tangible. Mr. Keegan will discuss the recommendation with Town Administration and the School Committee.

The Department’s Capital Budget requests this year included funds for Cole and Vinal school bleacher replacement (\$100,000), blinds to reduce sightlines into classrooms for safety reasons (\$100,000), temporary roof repairs at the Vinal (\$24,000), a van (\$20,000), and projectors/presentation systems for the Middle School (\$40,000) and Cole (\$60,000). Articles include a request for \$40,000 for student transportation to Norfolk Agricultural School, \$140,000 for WiFi and technology cart upgrades, and \$665,000 to repave the Middle School parking lot.

Mr. LaCara asked about upcoming collective bargaining negotiations. The Department is working on a contract with the custodians this year and will be doing teachers next year and teacher aides the year after. They try to avoid negotiating multiple contracts in a single year.

Chair Hibbard inquired if the feasibility study for a middle school leaching field could be combined with the multigenerational community center feasibility study for cost savings, but Ms. Sullivan indicated this was not documented in the scope of work that the company doing the latter study accepted.

Board liaison McGrath expressed concern over one-time expenditures in the budget and what he characterized as non-strategic spending and decision-making. The Department faces many potential budget busting expenses that are difficult to address, and he would like a deeper dive into “where money is being spent effectively,” but the overall budget is representative of what the schools need at this time; he agrees with the suggestion to move one-time spends to articles. Mr. Liaison D’Souza noted concern over budgetary growth rates as well as the practice of moving actual operating expenses into articles, which disguised the actual growth in expenses.

Mr. Perniola asked whether School Administration was comfortable in the Sparrell building or would prefer to move to Longwater if possible. Mr. Keegan acknowledged there were maintenance issues at the Sparrell including an aging HVAC and elevator that will require work for ADA compliance. At this time, they are focused on trying to maintain the building at minimum cost. Ms. Kane noted that the Sparrell’s proximity to the middle school was an advantage.

Ms. Kane thanked the Board members who had attended School Committee meetings before the presentation. Chair Hibbard thanked Mr. Keegan for getting their budget information to the Board in advance, and encouraged them to use the Board as a resource regarding a possible override next year, noting the earlier outreach starts, the better.

Motion by Mr. Perniola to recommend the budget for Department 301, School Department, in the amount of \$33,398,063. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Town Accountant - 135

The proposed budget includes contractual increases, longevity, and vacation buyback for staff, as well as audit expenses for the Town. The increase in Ms. McCarthy's salary reflects a promotion from Town Accountant to Finance Director. The Professional Services line reflects the need for additional auditing related to the receipt of Federal funds, as well as an increase in the provider's rate. Ms. Sullivan added that Ms. McCarthy continues to act as Town Accountant; she is satisfied that both roles are appropriately covered between Ms. McCarthy and staff.

Motion by Mr. Perniola to recommend the budget for Department 135, Town Accountant, in the amount of \$316,308.72. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Hanson aye, Perniola aye, Hibbard aye, D'Souza aye, Sullivan aye, McGrath aye.

Facilities - 192

Ms. Sullivan briefly reviewed the budget, which had been discussed at a previous meeting and had not changed. The increase in Professional Services is for handyman services and facilities tracking software to improve efficiency.

Mr. Perniola asked if the operating costs at 93 Longwater would be as high going forward as they are now. Facilities Director Ted Nichols noted that 93 Longwater had a lot of systems, including elevator and sprinkler, that 345 Main did not, which increase power use; however, electric rates for the building may go down once he can secure a power contract.

Mr. Perniola asked if Trees & Grounds would cover landscaping at 93 Longwater. Ms. Sullivan advised that a "condo" fee that the Town would be splitting with an adjoining unit would cover snow removal, landscaping, and exterior maintenance by a private company. She considered having T&G handle these in exchange for a reduced fee but wants to pay the full fee for the first year to see how the company performs, as bringing these tasks "in house" would incur potential liability.

Mr. LaCara asked if a Property Condition Assessment had or would be performed for 93 Longwater. Ms. Sullivan advised that a structural engineer was looking at the building as part of the ongoing fit-out; Mr. Nichols added that he and inspectors from the Building Department had prepared a similar report when the purchase was being considered, and additional assessments, including a life-cycle analysis, would be part of the fit-out.

Ms. Hibbard reiterated her recommendation for energy audits at library and 93 Longwater given their high energy costs. Mr. Nichols noted that electric rates had increased and the library operating hours were longer, but Ms. Hibbard pointed out that an audit would help ensure the systems were working as designed and suggested the increased energy costs were "not an expense that was fully exposed." Ms. Sullivan had no objection to an audit.

Mr. Perniola also asked why the “Other expenses” line had been zeroed out. This line previously covered custodial expenses at the Highway Barn, which had been moved out of the Facilities budget.

Motion by Mr. Perniola to recommend the budget for Department 192, Facilities, in the amount of \$418,171.07. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D’Souza aye.

Select Board - 122

This line item includes the Town Administrator and Assistant Town Administrator, two clerical salaries, consultant fees, a travel stipend, and supplies. The proposed FY 25 budget reflects contractual increases to the clerical salaries, a 2% increase to TA and Assistant TA salaries, and a vacation buyback for the TA. Ms. Sullivan has hired a consultant to assist with procurement. Most other expenses are level-funded.

Ms. Hibbard noted that Mr. Hutchison discussed the budget and reported no unanticipated outliers. Mr. Perniola asked why veterans cemetery maintenance was in this budget and not in the Veterans Services budget; Ms. Sullivan believes the line was historically part of this budget but could be moved.

Motion by Mr. Perniola to recommend the budget for Department 122, Select Board, in the amount of \$637,203.12. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D’Souza aye.

Reserve Fund - 132

Each municipality in the state is required to maintain a reserve fund based roughly on one half of one percent of its annual operating budget. The fund is used to pay for unforeseen expenses and emergencies. Ms. Sullivan tries to contribute a certain percentage of the total budget each year, and the budgeted FY 25 contribution is \$350,000.

Motion by Mr. Perniola to recommend the budget for Department XX, Reserve, in the amount of \$350,000. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D’Souza aye.

Personnel Board - 152

This budget covers expenses for printing and supplies.

Motion by Mr. Perniola to recommend the budget for Department 152, Personnel Board, in the amount of \$400. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D’Souza aye.

IT Services

The proposed budget includes a stipend for Health Agent Ben Margro, who provides in-house assistance. The Town is moving to a new Web site provider who will make the site more accessible as recommended by the Commission on Disabilities. The redesign will cost \$18K and then \$4K for annual maintenance. Computer maintenance and other expenses have been level-funded.

Mr. Perniola asked if there were any changes associated with the move to 93 Longwater. Ms. Sullivan advised that the Town's IT provider has been involved with the fit-out; they anticipate a one-day move of all equipment.

Ms. Hibbard asked about bringing this function fully in-house. Ms. Sullivan noted that the School Department's IT employees previously provided support to Town Hall but this presented security and other challenges. The new provider has been very responsive, and it would be difficult to fund a small department with the needed capabilities.

Motion by Mr. Perniola to recommend the budget for Department 155, IT Services, in the amount of \$186,000. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Town Reports - 195

This budget covers the cost to print, copy, and distribute the annual report as per statutory requirements; it is level-funded.

Motion by Mr. Perniola to recommend the budget for Department 195, Town Reports, in the amount of \$7000. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Street Lighting - 424

The proposed budget is slightly down from FY 23's \$65K, and actual costs are coming in lower.

Motion by Mr. Perniola to recommend the budget for Department 424, Street Lighting, in the amount of \$60,000. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Worker's Compensation - 912

Ms. Sullivan increased this budget by 5% after analysis; this budget fluctuates from year to year.

Motion by Mr. Perniola to recommend the budget for Department 912, Worker's Compensation, in the amount of \$262,500.00. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Unemployment - 913

These expenses are self-funded and paid by the Town as claims come in.

Motion by Mr. Perniola to recommend the budget for Department 913, Unemployment Compensation, in the amount of \$10,000.00. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Health Insurance - 914

Ms. Sullivan has budgeted for a 6.3% premium increase, noting that any unused funds would be turned back to the general fund. Employee cost splits are contractually based at several different levels. Mr. Perniola asked about the opt-out stipend to employees who did not take the insurance; Ms. Sullivan indicated this was a common benefit offered to municipal employees; those who did get their insurance elsewhere saved the town significant premium expenses.

Board members asked if the Town had shopped around to other providers, including the state's Group Insurance Commission; Ms. Sullivan did an analysis of providers when she was Treasurer and is satisfied with the coverage the Town receives under the Massachusetts Interlocal Insurance Association, and their wellness program provides some grant funding to the Town.

Motion by Mr. Perniola to recommend the budget for Department 914, Health Insurance, in the amount of \$6,467,192.07. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Life Insurance - 915

This budget is level funded; this pays for group life insurance premiums which are split 50/50 with employees (\$10K) or retirees (\$5K).

Motion by Mr. Perniola to recommend the budget for Department 915, Life Insurance, in the amount of \$20,000.00. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Medicare - 916

Medicare expenses are shared with employees and fluctuate with headcount.

Motion by Mr. Perniola to recommend the budget for Department 916, Medicare, in the amount of \$550,000. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Other / Unclassified

This budget covers one-time employee expenses including pre-employment testing/onboarding and background checks.

Motion by Mr. Perniola to recommend the budget for Department 919, Other/Unclassified, in the amount of \$22,000.00. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

Liability Insurance / Risk Management - 945

This budget funds overall liability coverage and staff bonding.

Motion by Mr. Perniola to recommend the budget for Department 945, Risk Management, in the amount of \$265,800.00. Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.

MISCELLANEOUS

Vice Chair Perniola will chair the March 7 meeting.

Ms. Hibbard asked to postpone discussion of the citizen petition articles, noting that they hadn't seen the petitions yet and she would like to hear from the petitioners. Ms. Sullivan is meeting with the petitioners and checking on the legality of the petitions. After some further discussion of whether the Board made recommendations on citizens petitions and possible conflict of the petitions with CPC or town-sponsored warrant articles, all agreed to postpone the review pending more information.

FUTURE MEETINGS

3/7, 3/12, 3/14, 3/19, 3/21, 3/26, 3/28

ADJOURNMENT

*There being no further business, a motion was made by Mr. Perniola to adjourn at 10:30 PM.
Seconded by Mr. LaCara and unanimously voted by roll call: LaCara aye, Sullivan aye, Hanson
aye, Perniola aye, Hibbard aye, McGrath aye, D'Souza aye.*
