

FINANCE COMMITTEE MEETING
Tuesday, February 11, 2025 6:30PM
Westport Town Hall 2nd Floor Meeting Room
816 Main Road, Westport, MA
HYBRID MEETING 6:30 PM

Finance Committee Members: Cindy Brown, Duncan Law, Al Lees, Hugh Morton virtual, Karen Raus
School Committee Members: Evan Gendreau, Melissa Pacheco virtual, Christopher Thrasher
Other Attendees: Thomas Aubin Superintendent, James Hartnett Town Administrator, Michelle Rapoza School Business Manager virtual, Melissa Sousa Executive Assistant for Business Services

Call To order & Pledge of Allegiance Under MGL Chapter 30A, section 20(f) – this meeting is being recorded.

Westport Finance Committee Chair Karen Raus opened the joint meeting of the Finance Committee and the Westport School Committee at 6:32 pm. Introduced were members Cindy Brown, Duncan Law, Al Lees, and Hugh Morton.

Westport School Committee Chair Evan Gendreau opened the joint meeting of the Finance Committee and the Westport School Committee at 6:33 pm. Chair Gendreau reported at this time they do not have a quorum. Introduced were Michelle Rapoza and Melissa Sousa from the School Department’s Business Office, Thomas Aubin Superintendent and Christopher Thrasher School Committee member.

Chair Raus announced the meeting is hybrid and Under MGL Chapter 30A, section 20(f) this meeting is being recorded. Ms. Raus read the governor’s statement on remote meetings, followed by the Pledge of Allegiance.

1. FY26 Budget Meetings with Department a) Westport Community Schools – School Administration/School Committee members

Karen Raus began by informing everyone the Finance Committee is continuing with their department meetings.

Mr. Thrasher announced for this meeting he is acting exclusively as a School Committee member.

Mr. Gendreau began by presenting the school’s FY26 proposed budget that was approved in January 2025 by the School Committee. They started the process in the Fall and met with school leaders and department heads. Items were prioritized and highest priority needs are being presented.

Mr. Gendreau went over the power point slides in a presentation entitled “**Westport Community Schools Proposed Budget Fiscal Year 2026**” with the first slide referring to a Globe article, showing municipal services amplified with increased inflation costs, causing increased strain on school budgets. Noted was Westport’s high Special Education costs and tuition.

Next was a message from the Superintendent on unfunded needs, and revolving accounts.

School Committee member Dr. Melissa Pacheco joined the meeting here at 6:40 pm. making a quorum.

Superintendent Aubin shared there is no one size fits all. The district is trying to maximize the education and truly personalize education for the students.

Mr. Gendreau shared the School Committee met with building leaders on School Improvement Plans.

Mr. Gendreau continued with a breakdown of increases in district services. The FY26 budget reflects increases by 6% over FY25. About 4% out of the 6% is due to contractual increases and also includes \$100,000 in transportation costs, educator support, Professional Development, technology, and investing in infrastructure.

Recommended Proposed FY26 Budget - \$24,040,788

Increase - \$1,389,581

Final FY25 Budget - \$22,651,207

Mr. Gendreau went over all the budget line items under budget requirements, increase in district services, comparison by categories FY25-FY26, unfunded requests for FY25, and enrollment trends.

Superintendent Aubin announced they will be having a visit from the Commissioner of Education. A successful literacy program, paid for with state funding and the neo-technical program will be some of the things they will be looking at.

Ms. Rapoza explained the state revised how they calculate enrollment increases for pre-school students with Chapter 70. Westport has 67 students, however only get reimbursed for 18 students.

Superintendent Aubin explained the schools have been suffering financially for years and were told by legislators it is clearly an enrollment problem. School enrollment trends moving forward have gone up significantly.

Mr. Gendreau continued with the slides explaining the School Lunch Program with meals through revolving accounts, per pupil expenditures in which Westport is below the state average, free cash FY21-FY25, budget process, budget timeline, federal grants and state grants.

Superintendent Aubin shared at the Mass Association of Superintendent's meeting they were informed to possibly expect a decrease of 25% in Title I, Title IIA and Title 4A which amounts to about \$133,000 - \$160,000. The Trump administration is also making cuts to the Department of Education so there is uncertainty as far as federal funding.

Finance Committee Member Al Lees mentioned there is no question that federal funding and grants is going to change and asked how much build up in programs and personnel were a direct result of funding by grants since 2019-2020? Mr. Gendreau explained ESSER funds were not used for salary expenses. Ms. Melissa Sousa explained the district receives entitlement grants that are expected every year. They are not competitive and help with funding positions and with Special Education.

Ms. Raus asked about the \$90,000 paid by rural grant funds for positions. Mr. Gendreau explained those were specific needs within that particular fiscal year and were not planned.

Ms. Raus shared 2 years ago they were positions funded from ESSER that came over to the operating budget.

After discussion, it was determined there was a custodian (not permanent), a science teacher position and a School Adjustment Counselor SAC due to mental health issues from the COVID situation that were positions funded with ESSER monies.

Mr. Gendreau pointed out some school districts relied significantly on ESSER funds to fund multiple teaching positions. Westport did not do this.

Finance Committee Member Cindy Brown asked what would be the impact if decreased funding from Title I, Title IIA, and Title 4A happens? Would programs be decreased or would the town be asked for funds?

Mr. Aubin responded that this is a hard question to answer. There are some things that are mandated and staff is determined based on team meeting outcomes. They have no control over this and try to make cuts somewhere else in the budget.

Ms. Raus mentioned the town and school did a good job with how 1-time funds were spent.

Mr. Aubin shared he is extremely proud how the schools used ESSER and ARPA funds. Some of the monies went to UV lighting to decrease respiratory issues and helped mitigate absences.

Mr. Gendreau reviewed revolving accounts balances from last year and this year and explained the Special Education circuit breaker reimbursement process. After the threshold of \$52,000 of claims, then the 75% reimbursement kicks in. Overall this amounts to receiving about 45% of claims. Funds for this year are received the following year. Chapter 70 funding was also explained.

The School Committee budget presentation ended at this time.

Finance Committee Member Duncan Law questioned the amount of \$100,000 for transportation? Ms. Sousa mentioned there was a new contract and the majority was from athletics with an increase in sports. Mr. Gendreau added that school buses have a certain capacity and also the length of buses on the road are affected. Ms. Sousa shared they used a consultant to change some items within the new contract.

Finance Committee Member Hugh Morton mentioned the presentation was excellent but wants to introduce the reality of a 6% increase. The levy of the town is restricted to 2 and a half % - 3% from excise taxes. There is no way to absorb a 6% increase. He shared there is nothing negative on the presentation, they just don't have the money.

Mr. Gendreau shared they are presenting a budget that reflects the needs of students in the town. They continue to have increased enrollment, static expenses to incur, additional expenses with a greater use of facilities, and more funds going into classrooms.

Mr. Law mentioned he is in the classrooms 2 days a week. He shared as a community there is no greater responsibly than to educate our children, there is a revenue problem in this town and here we are nickel and diming the School Committee. We are absolving ourselves of this responsibility. We need to figure out how to increase revenue and put the programs in place the schools are advocating. Classrooms with 25-27 students can't deliver the goods with a large class size. We need to deal with our children. In town there is a voting block to stop the 2 ½ override. This needs to be addressed.

Mr. Gendreau shared he sees that the town values our schools. Last year there was a motion made at town meeting and a voice vote to allocate more funding to the School Department.

Ms. Brown shared unfortunately it's not enough. They met for several months to try and enhance revenues through an override, but failed miserably. They did not get the same support at the ballot box. Its 1 pie, schools take 54%, public safety 20%, required payments 15%, totaling 90% and receive 52 million from taxes. This leaves 10% wiggle room or about 5 million dollars. Ms. Brown asked which department should we close? Cuts to Library? Council on Aging? Transfer Station? Recreation? Where is the money going to come from? Free cash is living on borrowed time. We have ample free cash this year, however we should not fund things that cannot be sustained moving forward. She would love to be able to fund these things but there is only 5 million dollars left. Ms. Brown agreed there is a revenue problem.

Mr. Law stated as a Finance Committee and Town this has got to stop. We want to fund all these things and more. Something is radically wrong and wants this on the record.

School Committee Member Melissa Pacheco shared the Town and Finance Committee has underfunded the schools for years. This has been a systemic problem. Override did not pass. Ms. Pacheco suggested the schools should get 100% of funds and monies coming in from the schools should not be shared.

School enrollment numbers are up. Free cash, how much funding, and the percentage split needs to be looked at.

Ms. Raus explained the Finance Committee, Town Administration, and Selectboard met on this 54% split for the schools. There is 1 pie. If 100% of revenue goes to the schools, then others would get 0%. Overall 54% is an average split. The town only has a certain amount of dollars and the town has consistently applied these percentages.

Mr. Gendreau clarified that last year's override was not a referendum on the School Department but rather it was a general override. Mr. Gendreau shared going into free cash is not ideal, however over the years there has been a consistent amount of free cash and notes \$3.5 million dollars for free cash was certified last year. When looking at this consistency, there is a case for using free cash. Mr. Gendreau shared there is a general notion in town that there is a school versus town competition for dollars in the budget. This is not the impression he wants to give and fully supports the great work for other town departments and understands their needs.

Ms. Raus said they are trying to be fair and applicable. It is not the case that the Finance Committee does not support the schools.

Mr. Aubin shared his frustration of experiencing the inequities between vocational and comprehensive schools. His last financial meeting has been the most unpleasant experience he has had during his 41 years in education. Also mentioned was asking people to do more with less is burning staff out. There is legislation on circuit breaker funding up to 90%. A lot of our problems would go away if this happens.

Mr. Thrasher stated it is clear the town has a revenue problem. Unfunded mandates, reimbursement formulas and failure to prioritize is abysmal and is crippling cities and towns across the state. The School Committee has listed priorities in the budget, this is not a list of wants. The therapeutic classroom could potentially keep us from losing students to costly out-of-district placements and saving thousands of dollars over time. Replacing district wide laptops and Chromebooks on a staggering rotation over years instead of all at once. Maintenance and custodial supplies are going up every year. We are not talking about taking from other departments. The town needs to figure out how we are getting free cash and look at how we calculate things as well as looking at priorities.

Mr. Hartnett shared some figures for school funding with state aid from Chapter 70. The split of new revenue is 54% school / 46% town. Two years ago, the town received \$500,000 in Chapter 70, last year \$250,000 - \$260,000, this year \$116,000. Percentage split will benefit the school. Free cash is consistent with other communities in the area. If we use free cash, it is cumulated and not sustainable the following year, so we are cautious about using free cash.

Ms. Raus added the percentage splits keeps funding on an even keel. When you have changes in the amounts, it gives a level of consistency. Last year town administration met and talked about a 5-year plan. The town can sustain an increase of 3 - 3.5% and this budget is an increase of 6%. Enrollment increasing is a great point to ask at what number do you reach maximum? Where are you at capacity?

Mr. Gendreau responded within the 5-year plan, the biggest concern with expanded enrollment is the issue of adequate staffing especially at the lower grades also space. Larger class sizes will affect test scores.

Mr. Thrasher noted there is growth within the town.

Ms. Raus mentioned they do what they can for budget, however the problem continues to escalate with a higher school department budget.

Mr. Gendreau emphasized 4% of the budget increase alone is contractual. In addition, a therapeutic class can bring money to the district by retaining students in Special Education and replacing computers on a 4-year device replacement schedule are the bulk of items included in the school's needs.

Mr. Lees mentioned he was talking to the highway surveyor. They had 12 employees and now have 5 counting the clerk with the same number of roads. The Finance Committee is not negative, the pie is only so big. They can't get an override and redoing the formulas are a challenge. Have to play the cards we are dealt. There is a 2.5% increase in pay raises, working with old equipment, and placing rubber bands on every single level. He understands the school's need to advocate and acknowledges hearing a great presentation. We have revenue and expenses, they need to match. It's really sad and he feels for the town. He has been in town for 71 years and said it is divisive and not community oriented. He does not have answers, but the circle is only so big.

Mr. Gendreau shared all Mr. Lee's points are well taken, largest portion of the increase is salaries or program related. It was noted that students go elsewhere for broader sports options.

Mr. Aubin understands they are being conservative, however what role does increase student enrollment have to do with increase in free cash?

Mr. Hartnett shared there are some benefits with new revenue. This year the amount is only \$116,000. Mr. Aubin is talking about free cash from the past 4 years.

Mr. Aubin shared he strives to bring the town together and was just discussing with the highway department about the use of a heavy equipment simulator. This would benefit cemetery and highway departments in terms of training.

Mr. Hartnett stated that free cash growth and enrollment increases do not exist. Free cash went up 2 years ago when they were classified as "minimum aid". That was why they received \$550,000 (\$30 - \$60 per student). The number of students plays a small role in Chapter 70. What does help is lower assessments for the number of students attending charter school or participating in school choice. This number has decreased, making assessments decrease.

Ms. Raus clarified the question, does increased enrollment play into free cash? Mr. Hartnett shared only if the estimates come in higher than what we are budgeting. Over the years there is a slight variation on the figures. What comes out in budget is what we get in the end for Chapter 70.

Mr. Lees mentioned it is not just about the revenue, but about the assessments. From 2015-2021 we were off the charts and went from 0 to over 1 million dollars. We need to have a balance.

Ms. Brown shared even when assessments were high and enrollment went down by 25% the percentage split of 54/46 never changed in the pie allocation and the school was never penalized for higher assessments. Town supported schools no matter what.

Ms. Raus shared the numbers are still in the works and they now have a better framework. Right now, they have a draft budget not approved by the Selectboard and they have not seen free cash needs yet, so there is no basis at this point.

School budget number is \$21,999,082 - factor in 54% split of new net revenue at \$927,001 which makes it \$22,926,083.

Current school budget 24,040,788. Current gap of \$1,115,000. Includes no free cash.

Further discussion will be needed on narrowing of the gap for some amount of free cash, how much to be determined.

Mr. Hartnett presented narrowing the gap by splitting. \$23,550,000. \$400,000 free cash, pay off campground, and use op-ed money. Either that or cuts on the other side.

Ms. Raus pointed out this increases the school/town split from 54% to 59% and amounts to \$617,000.

Mr. Lees asked does this include paydown of campground? Ms. Raus said yes and this would be 100% to school and 0% to town. Mr. Lees asked if this should be part of the operating budget? Ms. Raus stated they will discuss this further on coming up with ways to narrow the budget gap.

Ms. Raus asked if the School Committee has an alternative budget? Mr. Gendreau stated if we need to make it work, we will do what we have to. Mr. Gendreau pointed out last year there was a proposal of free cash. Ms. Raus informed they had to pull it back to cover the payoff a town meeting.

Ms. Raus asked about the overall fiscal budget? Mr. Hartnett said they are getting close. He had a discussion with Diman School and still needs numbers on property insurance and health insurance.

Ms. Raus thanked everybody in the school and praised them for a terrific job. It is good to see the operations and it is greatly appreciated. The presentation laid out last year's numbers and were transparent. Ms. Raus shared the difficult part is where does these funds come from?

Mr. Gendreau is always available for further questions and shared they went through a robust process where school needs were prioritized.

Budget discussion ended here.

Ms. Raus has not scheduled a joint meeting between the Finance Committee, Selectboard, and School Committee. She can send out an email to everyone to do a hybrid meeting in order to have further discussions on the budget.

Mr. Thrasher shared he does not see any benefit for a joint meeting at this time.

A motion was made to adjourn the School Committee meeting by Mr. Thrasher, there was no quorum of members at this time.

A motion was made to adjourn the Finance Committee meeting by Duncan Law with a second by Cindy Brown.

Roll call vote:

Brown Yes Law Yes Lee Yes Morton Yes Raus Yes

The joint meeting of the Westport Finance Committee and the Westport School Committee ended at 8:15 p.m.