

Essex Finance Committee  
November 2, 2017  
7:00pm  
Essex Elementary School

**Members Present:** Michelle Dyer, Ben Buttrick, Rob Fitzgibbon, David Gabor, Michael Flynn

**Overview:**

This was a joint meeting of the Essex Finance Committee with the members of the Essex School Committee along with District Superintendent Pamela Beaudoin, Director of Finance Avi Urbas, and Essex Town Administrator Brendhan Zubricki.

The purpose of the meeting was to begin a longer range planning discussion and understand the key variables that impact District budgeting to place into the broader context of Essex town finances.

**Agenda:**

1. Review and Approve Minutes of Prior Meeting
  - a. Approved minutes from October 10 meeting
2. Transfer Requests – None needed
3. Introductions
4. Partnership and Collaboration Principles and Processes
  - a. Review and discuss current budgeting process and timeline
  - b. Discuss how to optimize partnership and collaboration with MERSD and Town of Manchester-by-the-Sea

Michelle Dyer provided some context on the decision to have the meeting. Some concern has been raised surrounding the capital expenditures required to fund several major projects facing the District including construction of the new Memorial Middle School and then the new Essex Elementary School. Given that each town has somewhat different financial positions and demographics, the ability to jointly fund these expenditures both with impact to annual operating budget and longer-range debt planning requires considerable discussion. Each town has a different capacity to fund, and this meeting focused on the financial status and planning considerations for Essex.

Michelle laid out the upcoming meetings planned into early 2018 and encouraged Finance Committee participation including the Public Hearing to be held on 12/13 and the final budget hearing on 1/30.

5. Status Update on Progress Relative to Harmonizing Five-Year Operations Projections with the Manchester Essex Regional School District

There were two spreadsheet discussions. The first was led by Brendhan in which he illustrated the major sources of revenue and expenses for the town of Essex projected over the next five years using simple multiplier assumptions. This model originated from the town of Hudson, MA and was referred to as “the Hudson model.” Key components of revenue include property taxes, state aid, local receipts, and available funds from free cash and other sources. The purpose was to simply go through each line item, define it, and explain the variability over time. Brendhan also covered town expenses including the major line item of MERSD, general government expenditures, operating budget, and Town Meeting articles. Avi spent the remaining time in the meeting reviewing the expenses structure of MERSD.

It was agreed to have a follow-up meeting to address agenda items not covered in this meeting including future process for capital budget forecasting, Town of Essex anticipated future capital needs, MERSD anticipated future capital needs, and timing of Town Meeting and referendum vote for Memorial School capital project.

6. Public Comment – no public attendees

7. Adjourn