



## **Randolph Town Council**

### **DRAFT Meeting Minutes**

**Meeting Date: Tuesday, July 8, 2025, at 1:15 p.m.**

**This is a virtual meeting.**

**The Public is invited to attend this meeting remotely, by telephone or computer access.**

**Call to Order:** Council President Alexopoulos called the meeting to order.

**Roll Call – Council Members Present:** Christos Alexopoulos (Via Zoom), Richard Brewer (Via Zoom), James Burgess (Via Zoom), Ryan Egan (Via Zoom), Jesse Gordon (Via Zoom), Kevin O’Connell (Via Zoom), Brandon Thompson (Via Zoom), Katrina Huff-Larmond (Via Zoom), Natacha Clerger (joined the meeting late Via Zoom).

#### **Public Hearings:**

##### **1. Council Order 2025-053: Appropriation From Stabilization Fund To School Department Budget for FY 2025**

Council President Alexopoulos opened the public hearing for the Town Council Order 2025-053. This Council Order was introduced at the Town Council meeting on July 8, 2025 at 1:00 PM. At that meeting, it was amended to read as follows:

##### **Appropriation from Stabilization Fund to provide for certain FY2025 School Invoices**

To see if the Randolph Town Council will vote to transfer and appropriate \$600,000 from the general stabilization fund to provide for certain FY2025 school invoices.

Town Manager Brian Howard was accompanied by Town Accountant/Finance Director Janine Smith and Town Attorney Christine Griffin in providing additional information regarding the purpose of this Council Order. The legal advertisement was published in the Boston Herald on Thursday, July 3, 2025.

Town Attorney Griffin: This is a public hearing for Council Order 2025-053 to see if the Randolph Town Council will vote to transfer and appropriate \$600,000 from the general Stabilization Fund to provide for certain FY2025 school invoices.

Council President Alexopoulos opened the public comments portion of the public hearing.

1. Joe Burke, 54 Hill Street: Why are we giving the \$600,000 to the schools? They made a mistake, last year they made a bigger mistake and every year we keep giving them money. The

Town raised our water and sewer fees and yet you give away \$600,000 leaving taxpayers out on a limb. I would give them nothing. Let the vendors take us to court and get it out in the open about how they mismanage money at the School Department. Your tax classification is coming in November and there will be another increase on us, yet you give \$600,000 like its pocket change and close to \$4 million last year to bail them out. It's getting out of control.

There were no more public comments. Council President Alexopoulos closed the public comments portion of the public hearing and opened it to the Council for comments and questions.

Town Manager Howard wanted to provide the Council with some context and called up a spreadsheet provided by the School Committee from their joint meeting with the Town Council, indicating that there was no deficit in the School Department general operating budget. The Town Manager indicated that the Town feels there is a deficit in that account until all of the journal entries are completed, but some on the School side felt this spreadsheet alone should clear that up. According to Mass General Law the deficit exists until the journal entries are completed. Outstanding bills totaled approximately \$2.1-2.2 million. The proposed \$1.5 million appropriation was proposed with the intent to fill the gap in journal entries recorded. Finance Director Smith, where do we stand with journal entries?

Town Accountant/Finance Director Smith: To date, I have received just over \$2 million dollars in journal entries. I have been able to review and post just over \$1.6 million dollars in entries. There are two entries that are missing information, that have not yet posted that total about \$400,000.

Town Manager Howard: The requested funds I would seek from the Council would be \$600,000 to make up the gap in what has not been posted. However, I note that, at this time, the Schools are continuing to enter POs that are going way beyond that \$600,000 number.

Councilor Burgess: Are these unpaid bills at this point?

Town Manager Howard: We are trying to determine that now, but the newer ones appear to be tied to May and June bills. They certainly appear to be above and beyond the \$2.2 million shown to us at the joint meeting between the Council and the School Committee, which has been discussed for months. I feel further action is going to have to be taken. The Council offered to hold a special meeting to process them as unpaid bills, but the Schools declined because they felt the funds would not come back quickly enough through the Free Cash process in the fall. My fear now is that anything past the \$2.2 million is going to have to be processed as an unpaid bill. Assistant Town Manager Monica Lamboy and Town Accountant/Finance Director Smith have been trying to assist. It's very concerning that there is a gap when we have been told all along there wouldn't be.

Councilor Huff-Larmond: We knew we had a deficit as the result of bills from the joint meeting with the School Committee, but now it sounds like that number has changed. Could we ask the schools about this different number and additional charges so we have some clarity? With regard to the additional vouchers, did we know that these were coming down the pipeline?

Town Manager Howard: At no point was it communicated to me by anybody that there would be anything greater than the \$2.2 million. In fact, in a conversation with the Superintendent, the Finance Director and the Chair of the School Committee, we stated what we thought the number would be, and

the School said no, they thought the number was going to be a lot lower, and clearly that is not the case. The will of the Council, myself and the Finance Director is to get vendors paid.

Town Manager Howard asked the Finance Director to walk the Council through the next steps if the \$600,000 is approved today.

Town Accountant/Finance Director Smith: If the Council chooses to approve the vote for \$600,000, it is going to be an appropriation outside of the school operating budget. Therefore, we would no longer be having a conversation about a current deficit position in that account. The Town Accountant no longer has to hold invoices against the school budget. It will be posted to a new account tied to this specific Council Order for \$600,000. I'll then be asking the School Finance Director to identify a list of bills they would like us to pay from this \$600,000 that we can process this week, if we get the information from them. My office will take care of updating the entries that have already been made and putting them into the right general ledger account. But, if the appropriation goes into the School budget directly, a deficit still exists in that account, and we would not be allowed to pay invoices from that account while it is in a deficit, so this is a workaround. We discussed possible solutions, but when crossing fiscal years, not every option was attractive to both sides. Whatever else is remaining will be an additional conversation.

Councilor Gordon: First, I think we should summarize the first meeting, because I believe Councilor Huff-Larmond did not hear what our vote was, what it meant, and the rationale behind it. I agree that we want to get vendors paid. It seems to me we can only pay fewer because we cut the amount available via that vote.

Town Manager Howard: I want to make it clear that we did not cut the number. We initially created the \$1.5 million Council Order because we didn't know at the time we posted the meeting how many journal entries the Finance Department would be able to process. Because they have been able to process \$1.6 million in entries and the deficit is \$2.2 million, we only need \$600,000 to accomplish it. On top of that, we have learned that additional entries are being placed into MUNIS above and beyond that amount, which cannot be paid out of this. The Council has a meeting on Monday and could discuss it. We made a commitment to get us in balance and get the bills paid, but it appears that the numbers won't necessarily get us in balance.

Councilor Gordon: What I hear is that we reduced the flexibility we have by cutting that number to the bare minimum, and I voted no accordingly. It is the clear will of the Council to pay all of the bills. I understand there is a lot of work to be done to get this done cleanly and legally, but we want to make sure everyone is working together to get it done. I don't see that the will is reflected by cutting the amount available. I support transferring the \$600,000 to the special fund and would have supported additional funds.

Councilor O'Connell: The original deficit was \$2.1 million. It went down because some of the bills got processed. Now we're changing it to \$600,000 because more bills were processed. Is there a chance that the \$600,000 could get processed, and we don't even have to be here right now?

Town Accountant/Finance Director Smith: The School operating budget is currently in a deficit position, and by law, we cannot allow invoices to be processed from that account. The Schools declined

a special meeting with the Town Council last week, so I met with the Town Manager and Town Attorney on Friday to share my concerns that I would not get through all of the \$2.1 million journal entries received, given these are the two busiest weeks of the year for my office, crossing the fiscal year. We came up with this option to close the gap representing the journal entries that I have not been able to post. In theory, this should bring the operating budget to zero, or slightly into the black. What we have learned is that the School is entering invoices over and above that, creating a new deficit that has not been dealt with in any way. This was the solution, to appropriate \$600,000 outside the school operating budget, so we can at least start paying the vendors. Then, we would need a follow up meeting to address what would be called unpaid bills because they are from FY2025. If the Council wishes to approve it, those could get paid out next Thursday.

Councilor O'Connell: This new information for bills above and beyond the \$2.1 million, is that part of what we are doing here today, or just concentrating on what is in front of us?

Councilor Burgess asked Finance Director Smith to clarify the rules of the Department of Revenue with regard to paying bills when the fiscal year ends.

Town Accountant/Finance Director Smith: Finance laws allow us to process warrants, payroll and year-end transfers for FY2025 up until July 15. My office sends out information to departments in advance with instructions and deadlines to follow to ensure the bills are charged to the correct fiscal year. In order to pay those bills, there needs to be available budget. Once the two special warrants get processed, communication is sent out to departments saying whatever you have in hand now is an encumbrance. The only way encumbrances are approved is if there is available budget, then they are usually paid out the following week. For Town departments, because finance laws allow year-end transfers through July 15, we are able to address some projected deficits and expense lines. We routinely remove bills from Town batches, just the same as we have had to with School batches if there is no budget available.

This has become challenging, because prior to June 30, Free Cash was part of the conversation and could be appropriated for any legal purpose. Once we cross June 30, free cash is no longer available until it's certified again in the fall. We brainstormed possible solutions to get the bills paid as quickly as possible, and the first thought was to have a joint meeting and deem these unpaid bills from FY2025. The School had no desire to do that. Then, we decided to rely on journal entries to bring the School back into the black. I voiced concern that we would not be able to post some of the journal entries as quickly as we needed them, so the \$600,000 fills the gap until I can post the remaining journal entries. The problem is, the School continued to enter invoices into our system which is creating a new deficit.

Councilor Brewer: I understand that we were probably going to be reimbursed for the \$600,000, but if the Schools are still taking in invoices and processing them above and beyond that, does that mean they are actually out of money right now? And, that we won't get reimbursed for anything else we might do to help them?

Town Manager Howard: We originally created this Council Order to get us through the \$2.1-2.2 million in journal entries. It has since become clear that they have bills above and beyond that.

Councilor Burgess: So that number they gave us is wrong?

Town Manager Howard: The original intent was that we use this to get through the \$2.1-2.2 million to finish the journal entries. Then, the difference would wash out in free cash, and would be put back into the Stabilization Fund next year. You are correct, Councilor Brewer, that based on what we know at this moment, there will probably not be a reimbursement now of that \$600,000. We are going out to bond in September or October and we will have trouble explaining why that is not coming back through traditional free cash and that's problematic. When we called for this meeting it was to get us between the \$2.2 million we knew of from the School's spreadsheet to what the Finance Director had done as journal entries which is 1.6 million. The \$600,000 is the balance of remaining journal entries.

Town Accountant/Finance Director Smith: With the additional invoices or purchase orders that the school has entered since the original conversation, it results in a new deficit of \$1.3 million. Even if we posted all the journal entries, we would not be allowed to pay invoices this week from the School budget, so this is a work around to get vendors paid.

Councilor Thompson asked if the specific dollar amount of \$600,000 is the amount we have precise accounting for, in terms of vendors that need to be paid?

The Town Attorney Christine Griffin offered to provide an explanation of what has transpired.

Town Attorney Griffin: My understanding is that the Schools have multiple accounts they can pay bills out of, but the main account that their bills are paid from is their operating budget, which gets appropriated to them annually by the Council. In the Spring of 2025, the Town Accountant was projecting the Schools' main operating account would be in a deficit of \$2-4 million dollars at fiscal year-end. Once the Town Accountant/Finance Director became aware of this, under Massachusetts State law, she was no longer allowed to continue paying bills out of that account. The Schools could still pay bills from other accounts, but the operating budget account had to be frozen.

What we were told at the joint meeting between the Town Council and the School Committee was that they were going to go through the journal entry process, where you ask the Town Accountant to transfer invoices into other accounts with available money, which will make more money available in the main operating account. The Schools said at the joint meeting that they believed there was a \$2.2 million dollar deficit in the operating account and that they had \$2.2 million in other accounts available, so that as soon as they made the transfers they would be in the black. Based on those numbers, both the Schools and the Town have been scrambling to get the transfers made, to get the School operating account back in the black so bills can be paid out of the operating account again.

As of last Wednesday, we were confident we would get a significant portion of the transfers done, but not all of them. That is when the Finance Director, Town Manager and Council President approved putting together a Council Order, almost as a placeholder, to transfer \$1.5 million into the School accounts in case we needed those funds to get them in the black, and to be able to pay bills this week. Since then, the Finance Director has done as many transfers as she can, totaling \$1.6 million in journal entries. Based on the \$2.2 million dollar total deficit that we expected, that leaves a \$600,000 deficit that remains in the Schools' operating account, and that is the amount that the Town Manager is comfortable asking the Town Council to transfer out of Stabilization. We do believe that the money

exists within the Schools' budget and once the transfers are complete, the \$600,000 would have a chance of coming back to us as Free Cash.

However, the Schools began adding additional invoices that we were not aware of. As of this morning, the projected full deficit is no longer \$2.2 million dollars. It is approximately \$3.5 million dollars. Even the \$1.5 million transfer would have been tight to get the Schools' operating account into the black. And, the Town Manager is not confident that the money will be available to fall back to us in Free Cash to replenish the Stabilization Account.

The Town Manager has committed to getting the Schools to the \$2.2 million and that is why he has presented the \$600,000 amount. This Order will enable the money to go into a separate account to pay the most out-of-date bills. We need additional time to address the remaining bills. We are not in a position to advise the Council on what to do with the new bills until we have a chance to go through them. There is a possibility we could present a Council Order at the Town Council meeting on Monday to address the additional bills.

Councilor Huff-Larmond: I agree with Town Attorney Griffin that we should do the research to understand the new numbers. If invoices are still coming into the Schools how should that be handled? Hold them, process them? Also, just confirming that the money is coming from the Stabilization Fund?

Town Manager Howard: That is correct. It was the only funding source since, after July 1, Free Cash is not available until it is certified in the Fall.

Councilor Huff-Larmond: I really want to make sure we are staying focused on moving forward and bringing this money together. It is my understanding that the meeting last week was cancelled, not because the Schools didn't want vendors to get paid, but rather due to some history between the Schools and the Town Council.

**Councilor Clerger joined the meeting during this discussion.**

**Councilor Egan moved to call the question. Councilor Clerger seconded.**

Councilor Clerger: Before we vote, keep in mind that the Schools have so many more students right now and will need more money.

Councilor O'Connell: Calling the question is going to change my vote.

Councilor Egan: I called the vote so that I am able to be here for the vote, as it is in an important matter.

Councilor Gordon: I agree, call the vote.

Councilor Burgess: I think we should be honest about what is happening. The Schools overspent their money and the question is, if more bills keep coming in, are we just going to bail them out again?

Councilor Egan moved to call the question.

Roll Call Vote: 7-2-0 (Nays: Burgess, O'Connell)  
Motion passes.

Councilor Huff-Larmond asked for clarity on where the funds are coming from.

Attorney Griffin stated that the money is coming from the Town's stabilization fund to pay School invoices.

Councilor Burgess requested further discussion but his internet connection was poor and some of his comments were inaudible.

**Motion to approve Council Order 2025-053, as amended (appropriate the \$600,000 from Stabilization to provide for certain FY2025 School invoices) made by Councilor Egan, seconded by Councilor Gordon.**

Roll Call Vote: 7-2-0 (Nays: Burgess, O'Connell)  
Motion passes.

### **Adjournment**

**Motion to adjourn made by Councilor Egan, seconded by Councilor Thompson.**

Roll Call Vote: 8-1-0 (Nays: Burgess)  
Meeting adjourned at 2:02 PM.

### **Adjournment.**