



Town of Reading Meeting Minutes

RECEIVED
TOWN CLERK
READING, MA.
2022 MAR -3 AM 9:09^{RK}

Board - Committee - Commission - Council:

Finance Committee

Date: 2022-02-16

Time: 7:00 PM

Building: Reading Town Hall

Location: Conference Room

Address: 16 Lowell Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

Chair Ed Ross, Vice Chair Jeanne Borawski, Eric Burkhart (remote), Geoffrey Coram, Marianne Downing, Jackie McCarthy, Joe McDonagh, Mark Zarrow

Members - Not Present:

Andrew Mclauchlan

Others Present:

Bob LeLacheur, Fidel Maltez, Sharon Angstrom (remote), Jacquelyn LaVerde (remote), Karen Herrick

Minutes Respectfully Submitted By: Jacquelyn LaVerde

Topics of Discussion:

This meeting was held in-person at the Town Hall Conference Room and remotely via Zoom.

Chair Ed Ross called the meeting to order at 7:02 pm.

Liaison Reports:

Geoffrey Coram reviewed the School Committee discussion on full-day kindergarten. The School Committee will look to FINCOM for guidance to make the numbers work.

Marianne Downing reviewed the Select Board meeting, noted there will be a change in the way the ARPA committee is run, and thanked Mr. Ross and Ms. Borawski for their leadership on the development of the ARPA committee. She also noted that the Select Board is going to pursue an easement with Meadow Brook Golf Club to access the Town Forest through Lot #5. Select Board will come to FINCOM when there is a cost for it, and the Town has received a \$150,000 grant for it.

Jackie McCarthy reviewed the most recent RMLD meeting where the General Manager gave a presentation on the 2022 basic rate and billing process. The district is updating consumer communications. There was an update on the power supply and long term generation contracts. The General Manager would like to provide an update to the Finance Committee sometime in March, and Ms. McCarthy stated that she would work with Mr. Ross to schedule.

Ed Ross stated that the Conservation Commission reached out as well and would like to be included on the schedule sometime in March. The Select Board discussed water reserve funds. Mr. Ross noted that a discussion on Water Reserve/Stabilization Funds could be added as a future agenda item.

Update on ARPA Subcommittee:

Mr. Ross reviewed the discussions held at the January 18th and February 1st Select Board meetings about ARPA, and the documentation created by the Finance Committee for the ARPA Subcommittee. The Select Board expressed concern about the structure being under the Finance Committee as advisory to the Select Board and not having more of a charge. After Mr. Ross's conversations with Select Board members Karen Herrick and Mark Dockser, the Select Board put together the Reading ARPA Advisory Committee (RAAC). Mr. Ross noted that he felt that the charge for the new advisory committee is appropriate as it is specific to ARPA, but also considers prioritization of projects big and small. If ARPA funds are used for some of those projects, that leaves funds available for other projects.

Vote to dissolve FINCOM ARPA Subcommittee:

On a motion by Ms. Borawski, and seconded by Mr. McDonagh, the Finance Committee voted 8-0-0 to dissolve the Finance Committee ARPA Subcommittee. Roll call vote: Eric Burkhart-Yes, Jackie McCarthy-Yes, Mark Zarrow-Yes, Marianne Downing-Yes, Geoffrey Coram-Yes, Joe McDonagh-Yes, Jeanne Borawski-Yes, Ed Ross-Yes.

Vote to appoint ex-officio FINCOM members to Select Board Reading ARPA Advisory Committee (RAAC):

In the subcommittee planned by the Finance Committee, the structure consisted of three Finance Committee members, two School Committee members, and two Select Board members. It made sense to have the Chair and Vice Chair to be part of the Finance Committee subcommittee. In the RAAC that the Select Board created, the structure was altered slightly to three Finance Committee members, one Library Trustee member, two School Committee members, and two Select Board members. Where the new version of the ARPA Advisory committee is under the Select Board, it is not necessary for the Chair and Vice Chair to be the Finance Committee ex-officio appointees. Mr. Ross encouraged any members interested to raise their hands. After a brief discussion, Marianne Downing, Geoffrey Coram and Joe McDonagh volunteered. As the RAAC meetings will be open meetings, Finance Committee can be posted to attend RAAC meetings, so all members are welcome to participate in the process.

On a motion by Ms. Borawski, and seconded by Ms. McCarthy, the Finance Committee voted 8-0-0 to appoint Joe McDonagh, Marianne Downing, and Geoffrey Coram as ex officio members of the Finance Committee to the Select Board Reading ARPA Advisory Committee.

Roll call vote: Eric Burkhart-Yes, Jackie McCarthy-Yes, Mark Zarrow-Yes, Marianne Downing-Yes, Geoffrey Coram-Yes, Joe McDonagh-Yes, Jeanne Borawski-Yes, Ed Ross-Yes.

Discuss new FINCOM website page and give guidance to staff/

Authorize Jeanne and Marianne to work with staff on website details:

Ms. Borawski stated that she and Ms. Downing coordinated with Town staff to talk about the website. The Town is currently in the process of upgrading the website, and it is a good time to make some changes. Ms. Downing compared other communities' Finance Committee webpages and suggested the new webpage include an informative landing page, a visual picture of Reading's budget, previous Financial Forum presentations, and a link to FINCOM packets. Ms. Borawski stated that she would like the ability to work with staff to get the changes up and running. She presented suggestions for changes in FINCOM protocol such as: reviewing the webpage every summer to determine what can be archived, include an annual calendar, and have a standing agenda item at the end of every Finance Committee meeting to decide what to put on the website.

Finance Committee members expressed agreement with visual budget aids, such as pie charts, a calendar to view the year at a glance, and the written process to help educate people. Ms. Borawski noted that she wanted the Committee to review the suggested content changes first. Next steps will be to have Town Counsel review, then work with Town Staff on the updates.

Discuss FINCOM email procedure:

Currently, the email address for the Finance Committee goes to Town Accountant Sharon Angstrom. There is very little email that comes in, and anything that is not spam she forwards to the Chair and Vice Chair. The new website will be previewed for the Select Board on March 22nd, and they will be discussing appropriate contact methods for Boards and Committees. The Finance Committee agreed to continue the discussion at their meeting on March 23rd, as it may be formed by the Select Board's discussion.

Review of free cash projections:

Mr. Ross noted that Free Cash position is healthy today. Between \$2 million and \$2.25 million of it has been used to support the operating budgets, with a little more the past few years due to the pandemic. The Finance Committee wanted to consider different types of projections to see what can happen over time.

Town Accountant Sharon Angstrom presented three different scenarios using different levels of regeneration and usage. The FINCOM Reserve policy is 7% of revenues, though Ms. Angstrom stated that the bond agencies might recommend 10%. The first scenario projects \$2.75 million usage per year with projected revenues and other factors, where free cash would see a deficit in 2029. The second scenario increased the usage of free cash to \$3.75 million in 2024 only, which would see a deficit in 2028. The third scenario increased the use of free cash to \$3.75 million beginning in 2024 and continuing in subsequent years, where a deficit would be seen in 2027.

The Committee discussed other factors that it will need to consider such as inflation and its impact on regeneration, project and material costs, keeping a high bond rating to ensure lower borrowing costs, and having free cash on hand for one-time opportunities. Ms. Borawski suggested reviewing this exercise each summer in preparation for fall budget guidance.

Appreciation of Town Manager:

On behalf of the Committee, Mr. Ross thanked Town Manager Bob LeLacheur, wished him the happiest of retirements, and presented him with a "Rainy Day Fund" piggy bank. Mr. LeLacheur thanked Mr. Ross and the Committee and noted that working with the Committee has been a pleasure.

Approve meeting minutes: January 13, 2022:

On a motion by Ms. Borawski, and seconded by Ms. Downing, the Finance Committee voted 7-0-1 to approve the meeting minutes of January 13, 2022. Roll call vote: Eric Burkhart-Abstain, Jackie McCarthy-Yes, Mark Zarrow-Yes, Marianne Downing-Yes, Geoffrey Coram-Yes, Joe McDonagh-Yes, Jeanne Borawski-Yes, Ed Ross-Yes.

On a motion by Ms. Borawski, and seconded by Mr. Coram, the Finance Committee voted 8-0-0 to adjourn at 8:59 pm.

Roll call vote Eric Burkhart-Yes, Jackie McCarthy-Yes, Mark Zarrow-Yes, Marianne Downing-Yes, Geoffrey Coram-Yes, Joe McDonagh-Yes, Jeanne Borawski-Yes, Ed Ross-Yes.