



## Town of Reading Meeting Minutes

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### Board - Committee - Commission - Council:

#### Finance Committee

Date: 2022-06-29

Time: 7:00 PM

Building: Reading Town Hall

Location: Select Board Meeting Room

Address: 16 Lowell Street

Session: Open Session

Purpose: General Business

Version: Final

#### Attendees: **Members - Present:**

Chair Ed Ross, Joe Carnahan, Geoffrey Coram (remote), Joe McDonagh, Marianne McLaughlin-Downing, Mark Zarrow

#### **Members - Not Present:**

Vice Chair Jeanne Borawski, Eric Burkhart, Andrew Mclauchlan

#### **Others Present:**

Town Manager Fidel Maltez, Town Accountant Sharon Angstrom (remote), DPW Director Jane Kinsella, Emily Sisson (remote), Jackie McCarthy (remote), Karen Herrick (remote)

**Minutes Respectfully Submitted By:** Jacquelyn LaVerde

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#### **Topics of Discussion:**

This meeting was held in-person in the Town Hall Select Board Meeting Room and remotely via Zoom.

Chair Ed Ross called the meeting to order at 7:00 pm.

#### **Welcome New Finance Committee Members:**

Mr. Ross welcomed new members Joe Carnahan, who was appointed to a vacant seat and is eligible to vote this evening, and Emily Sisson, whose term will begin on July 1<sup>st</sup>.

#### **Vote on FINCOM Reserve Transfer Request: DPW Equipment Maintenance/Contract Repairs and Fuel:**

DPW Director Jane Kinsella presented a request to transfer \$50,000 from FINCOM reserves to fund unforeseen shortages in the DPW budget. Additional funds needed include: \$18,000 for electrical cabinets; \$10,000 for fuel; and \$22,000 for large repairs, repairs that needed to be outsourced, and increased equipment costs due to inflation.

A request was made to Town Meeting for \$40,000 to replace an electrical cabinet, but the actual cost was \$43,000, \$3,000 short of what was budgeted. Within days of Town meeting, another electrical box was damaged in a hit and run accident. Insurance only covered \$25,000 of the replacement, and the Town had to make up the difference of \$15,000. Since then, assets were reviewed and if it happens again, the Town will have better coverage.

Several repairs had to be outsourced due to losing two mechanics. But DPW has since hired a mechanic.

Ms. Kinsella also noted that DPW anticipates needing to budget more for fuel in the future due to increased costs.

**On a motion by Marianne Downing, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to transfer \$50,000 from FINCOM Reserves to DPW.**

**Roll call vote: Geoffrey Coram – Yes, Marianne Downing – Yes, Mark Zarrow – Yes, Joe Carnahan – Yes, Joe McDonagh – Yes, Ed Ross – Yes.**

**Liaison Reports:**

Ed Ross shared that the Finance Committee Appointment Committee met and reappointed himself and Joe McDonagh, in addition to appointing new members Joe Carnahan and Emily Sisson as mentioned at the start of the meeting.

Marianne Downing shared that the Reading ARPA Advisory Committee (RAAC) has held a number of meetings, reviewed the survey results, and has voted on preliminary allocations of \$2 million to the Schools, \$900,000 for the seniors, \$77,000 to Maillet Sommes conservation land, \$650,000 for water and sewer rates, and \$8,000 for surveys on land to be donated to Conservation (that the Select Board voted on without the formal vote of RAAC). RAAC is learning a lot about unmet needs in the community that ARPA will not be able to cover. The RAAC is scheduled to sunset in September, but should have a leftover list of community priorities to present to the Finance Committee and to Town Meeting.

Geoffrey Coram shared that the School Committee reorganized at their last meeting, and Shawn Brandt was voted as the new Chair, and Carla Nazzaro as the new Vice Chair.

**Town Manager's Report:**

Town Manager Fidel Maltez shared some updates with the Committee. As this is the first year creating the budget without former Town Manager Bob LeLacheur, Mr. Maltez and Town Accountant Sharon Angstrom are beginning the budget process earlier and have already had their first conversation with department heads.

There will be a \$2.2 million request in September for the design of the new Killam School, which will be proposed to be funded with free cash.

The Select Board elected to create a new ad hoc committee, the Symonds Way Exploratory Committee (SWEC), to have conversations about the possible uses for the 14 acres of Town-owned land across from the Burbank Ice Arena.

There will be a public forum on July 12<sup>th</sup> about using the Town-owned parcel on Oakland Road for affordable housing.

There will be a beer garden on the Town Common on July 23<sup>rd</sup>.

**Discussion on Free Cash Projections:**

Chair Ed Ross prefaced the discussion for free cash projections. The Committee will have ongoing discussions on free cash, and can consider different scenarios of free cash use and regeneration, and the "real time" impact using Ms. Angstrom's spreadsheet as a guide. Mark Zarrow explained that his interest in using free cash is looking at the projects that have been on the capital plan for some time, what they are, the priority, and when they should be in the forecast.

The Committee began with a high-level discussion on topics including: increase in interest rates, free cash regeneration, current and expiring debt, and inflation and post-pandemic effects on revenues.

Ms. Angstrom reviewed the recent use and regeneration of free cash, and free cash projections with the Committee. The Committee engaged in a lengthy discussion on free cash regeneration, and the use of funds regenerated above projections.

### **Discussion on Current and Expiring Grants:**

Town Manager Fidel Maltez stated that he and Town Accountant Sharon Angstrom will provide a spreadsheet at the August meeting with grants and their status, and provided an overview of some grants that are currently in the works, including: a \$182,000 grant to reinforce the municipal fiber network, a \$500,000 bottleneck reduction grant through MASSDOT to help synchronize lights on Main Street, a park grant to help with Birch Meadow, and a dog park grant. In addition to grants, the Town is pursuing state budget earmarks, and has received \$150,000 for the Fire ladder truck, \$25,000 for a robotics grant for the schools, and \$50,000 for DPW. Three more earmarks made it into the budget including: \$125,000 for Birch Meadow, \$200,000 for streetlights at Lakeview Avenue, and \$6,000 for the first electric vehicle for the DPW. Mr. Maltez stated that the Town is chasing every funding opportunity. Emily Sisson asked if the Community Preservation Act (CPA) has been pursued at all. Mr. Maltez explained that the Select Board has discussed the CPA, but it has to go through a ballot question, as it is an additional tax. It was last on the ballot in Reading in 2001 and failed 51% to 49%. The goal is to get it back on the ballot for the Presidential election in 2024. The state match fluctuates, but it still provides additional funds.

### **FY23 Meeting Schedule:**

Ed Ross stated it would be a good idea to meet in July to reorganize. Members discussed and agreed the next meeting dates will be July 27<sup>th</sup> and August 17<sup>th</sup>.

### **Future Agenda Items:**

Topics to discuss at the July 27<sup>th</sup> meeting include the reorganization and vote, liaison assignments, email policy, and website content review. The Committee briefly discussed other ad hoc committees that have recently been created, including the Symonds Way Exploratory Committee (SWEC), the Killam School Building Committee, and a potential Community Preservation Act (CPA) Committee, and whether FINCOM representation was needed on any of them. FINCOM was not needed for SWEC or Killam, and the Select Board has not yet created a CPA group, and it would be up to them if FINCOM is needed.

Marianne Downing suggested presenting the final Reading ARPA Advisory Committee (RAAC) recommendations to FINCOM of the unfunded projects, and public boards may want to be involved in those discussions. She also noted that the Town Forest Committee offered to host a site tour for RAAC and FINCOM to show the extent of the dead trees that need to be cleared, as they anticipate the full funding for the project might not be able to come from ARPA money and will need to request additional funds at Town Meeting in the fall.

### **Approve Meeting Minutes:**

**On a motion by Marianne Downing, and seconded by Mark Zarrow, the Finance Committee voted 5-0-1, with Joe Carnahan abstaining, as he was not yet a member of the Committee at that meeting, to approve the meeting minutes of March 15, 2022.**

**Roll call vote: Geoffrey Coram – Yes, Marianne Downing – Yes, Mark Zarrow – Yes, Joe McDonagh – Yes, Ed Ross – Yes, Joe Carnahan – Abstain.**

**On a motion by Marianne Downing, and seconded by Mark Zarrow, the Finance Committee voted 5-0-1, with Joe Carnahan abstaining, as he was not yet a member of the Committee at that meeting, to approve the meeting minutes of April 25, 2022 as presented.**

**Roll call vote: Geoffrey Coram – Yes, Marianne Downing – Yes, Mark Zarrow – Yes, Joe Carnahan – Abstain, Joe McDonagh – Yes, Ed Ross – Yes.**

**On a motion by Mark Zarrow, and seconded by Joe Carnahan, the Finance Committee voted 6-0-0 to adjourn at 8:44 pm.**

**Roll call vote: Geoffrey Coram – Yes, Marianne Downing – Yes, Mark Zarrow – Yes, Joe Carnahan – Yes, Joe McDonagh – Yes, Ed Ross – Yes.**