



## Town of Reading Meeting Posting with Agenda

2018-07-16 LAG

### 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

Agenda: Revised

Purpose: General Business

Meeting Called By: Jacquelyn LaVerde on behalf of Chair Ed Ross

Notices and agendas are to be posted 48 hours in advance of the meetings excluding Saturdays, Sundays and Legal Holidays. Please keep in mind the Town Clerk's hours of operation and make necessary arrangements to be sure your posting is made in an adequate amount of time. A listing of topics that the chair reasonably anticipates will be discussed at the meeting must be on the agenda.

**All Meeting Postings must be submitted in typed format; handwritten notices will not be accepted.**

### Topics of Discussion:

This meeting will be held in-person in the Town Hall Select Board Meeting Room and remotely via Zoom:

Join Zoom Meeting

<https://us06web.zoom.us/j/81422016837>

Meeting ID: 814 2201 6837

One tap mobile

+16465588656,,81422016837# US (New York)

+16465189805,,81422016837# US (New York)

Dial by your location

+1 646 558 8656 US (New York)

+1 646 518 9805 US (New York)

Meeting ID: 814 2201 6837

Find your local number: <https://us06web.zoom.us/u/kdw6gKKYdx>

### **AGENDA:**

- Welcome New Finance Committee Members
- Liaison Reports
- Town Manager Report\*
- Vote on FINCOM Reserve Transfer Request: DPW Equipment Maintenance/Contract Repairs and Fuel
- Discussion on Free Cash Projections
- Discussion on Current and Expiring Grants\*
- FY23 Meeting Schedule\*
- Future Agenda Items
- Approve Meeting Minutes
  - March 15, 2022
  - April 25, 2022\*\*

\*Revised items added June 28, 2022. Originally posted on June 22, 2022 at 8:22 am.

\*\*Revised items added June 29, 2022.

This Agenda has been prepared in advance and represents a listing of topics that the chair reasonably anticipates will be discussed at the meeting. However the agenda does not necessarily include all matters which may be taken up at this meeting.

## LaVerde, Jacquelyn

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**From:** Kinsella, Jane  
**Sent:** Tuesday, June 21, 2022 6:46 PM  
**To:** Edward Ross  
**Cc:** Maltez, Fidel; Jeanne Borawski; Angstrom, Sharon; LaVerde, Jacquelyn  
**Subject:** RE: DPW Request\_Fincom

Ed,  
There is a silver lining....we filled one of the mechanics positions on June 13<sup>th</sup>. He is an excellent mechanic, and his skill set fits in nicely with the current two mechanics.  
We are still looking for one more mechanic. But as you can imagine, it's a tough market right now. We were lucky to get the one filled.  
We have some flexibility within that union contract, so we offered him a higher step than we would normally start someone. He comes with several years' experience, so it made sense. (and much less than our outsource rates). So there is some savings in salaries (across the board), since we've had several openings at different times throughout the year.  
Jane

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**From:** Edward Ross <ejross33@yahoo.com>  
**Sent:** Tuesday, June 21, 2022 6:26 PM  
**To:** Kinsella, Jane <jkinsella@ci.reading.ma.us>  
**Cc:** Maltez, Fidel <fmaltez@ci.reading.ma.us>; Jeanne Borawski <jmborawski@gmail.com>; Angstrom, Sharon <sangstrom@ci.reading.ma.us>; LaVerde, Jacquelyn <jlaverde@ci.reading.ma.us>  
**Subject:** Re: DPW Request\_Fincom

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Thanks Jane. Very thorough. I don't envy the situation(s). It's a lot. I think this is fantastic perspective, don't get me wrong, mostly terrible. My biggest takeaways are 1. Your complete handle on all of this. It's a great comfort that you have your finger on the pulse. 2. I'm sure this isn't going to be an isolated experience and will help inform FinCom on Free Cash guidance.

One question that I had in relation to the open mechanic positions. My assumption is that those refs remain open and will have an offsetting (but not complete) impact on budget. I might be wrong in that assumption. I'm searching for any silver lining.

Thanks again!!  
Ed

Sent from my iPhone

On Jun 21, 2022, at 3:46 PM, Kinsella, Jane <[jkinsella@ci.reading.ma.us](mailto:jkinsella@ci.reading.ma.us)> wrote:

Ed,

Normally, I would have requested a transfer at April Town Meeting, but there were a few issues that were unknown at the town meeting deadline.

We had a major repair on one of large trucks scheduled for replacement in 2026, (\$11K). We also had a large repair (\$11K) on a Fire Engine (suspension and steering).

Within days of town meeting, we had a hit and run in the town common that destroyed an electrical cabinet. Insurance would only cover \$25K, so we needed to come up with the balance (\$15K).

Ironically, I had requested \$40K at ATM to replace a different/older electrical cabinet in the town common that the electrician felt was unsafe. The final bill for this unit was \$43K (an additional \$3K not budgeted).

We lost two mechanics, one in December, one in May. As a result, much of our repairs needed to be outsourced. Outsourced repair rates have increased to over \$150/hr.

The supply budget has increased at least 20% this past year. Every supplier has sent us letters with increases.

For example, we use to purchase R134 Freon for \$90.00, this year it is 350.00. The newer vehicles take a different type of Freon that is now \$600 tank.

Fuel prices have skyrocketed since the budget was finalized over a year ago.

**Regarding your specific questions:**

***Were these repairs in the original forecast and just happened later in the fiscal year?***

We have a very good vehicle maintenance tracking system that allows us to bring equipment for regular maintenance. The larger repairs, as stated above, were not planned/foreseen.

***Do these repairs give any indication that the useful life of the equipment needs to change?***

We did recently update our capital plan to reflect a change in useful life. This update should help in the future, but in the short term, there probably are not enough funds to reflect the needed change.

Cars/Pickups: 10 years

Loaders/Backhoes: 10 years

Dump trucks: 15 years

***Are we going to run the risk of a similar ask next year given the 20% increase?***

We probably will need additional funds at the next April town meeting to reflect the parts/supply increases that we are seeing across the board.

***The 10k gets us through end of fiscal year correct? Similar question on impact for next year.***

The \$10K will get us through to the end of June. We do bill out RMLD and Housing for their use, but the GF Fuel budget includes DPW, Police, Fire, School.

I would anticipate that we will see a similar ask at next April town meeting to make up for a shortfall in the fuel budget.

FY24's budget will take into consideration these increases.

Thanks!

Jane

*Jane C. Kinsella*

*Director, Public Works*

*Town of Reading*

*16 Lowell Street*

*Reading, MA 01867*

Tel 781-942-6673  
Fax 781-942-5441  
[jkinsella@ci.reading.ma.us](mailto:jkinsella@ci.reading.ma.us)

*Town Hall is closed on Fridays.*

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**From:** Edward Ross <[ejross33@yahoo.com](mailto:ejross33@yahoo.com)>  
**Sent:** Friday, June 17, 2022 9:52 AM  
**To:** Maltez, Fidel <[fmaltez@ci.reading.ma.us](mailto:fmaltez@ci.reading.ma.us)>  
**Cc:** Jeanne Borawski <[jmborawski@gmail.com](mailto:jmborawski@gmail.com)>; Angstrom, Sharon <[sangstrom@ci.reading.ma.us](mailto:sangstrom@ci.reading.ma.us)>; Kinsella, Jane <[jkinsella@ci.reading.ma.us](mailto:jkinsella@ci.reading.ma.us)>; LaVerde, Jacquelyn <[jlaverde@ci.reading.ma.us](mailto:jlaverde@ci.reading.ma.us)>  
**Subject:** Re: DPW Request\_Fincom

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Thanks Fidel. Seems pretty straightforward. Couple of questions for me:

Were these repairs in the original forecast and just happened later in the fiscal year? Do these repairs give any indication that the useful life of the equipment needs to change? Are we going to run the risk of a similar ask next year given the 20% increase?

Fuel I: the 10k gets us through end of fiscal year correct? Similar question on impact for next year.

I get the sense this is our first taste of the impacts on inflation. As such, it would be interesting to understand how does that impact plans for this year and forecasting for FY24.

I would expect similar types of questions from the rest of FinCom. Would. E good to get these into the minutes somehow as I know we won't be at full attendance.

Thanks, Ed

Sent from my iPhone

On Jun 16, 2022, at 10:11 PM, Maltez, Fidel <[fmaltez@ci.reading.ma.us](mailto:fmaltez@ci.reading.ma.us)> wrote:

Ed and Jeanne,

I wanted to share the email below from Jane Kinsella. We will be requesting an additional \$50,000 to the DPW budget on our June 29 Finance Committee Meeting. If you have any questions that we could answer ahead of the meeting, please let us know.

Thank you for your ongoing support.

Fidel A. Maltez  
Town Manager  
16 Lowell Street  
Reading, MA 01867  
[fmaltez@ci.reading.ma.us](mailto:fmaltez@ci.reading.ma.us)  
Phone: 781-942-6646  
Fax #: 781-942-9071

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**From:** Kinsella, Jane <[jkinsella@ci.reading.ma.us](mailto:jkinsella@ci.reading.ma.us)>  
**Sent:** Thursday, June 16, 2022 5:25 PM  
**To:** Maltez, Fidel <[fmaltez@ci.reading.ma.us](mailto:fmaltez@ci.reading.ma.us)>  
**Cc:** Angstrom, Sharon <[sangstrom@ci.reading.ma.us](mailto:sangstrom@ci.reading.ma.us)>  
**Subject:** DPW Request\_Fincom

Fidel,  
This is a rough estimate, but it looks like we'll be over budget by \$40K between Equipment Maintenance and Contracted Repairs by the end of June.  
*Without going into a lot of detail, all our equipment parts went up a minimum of 20%.*

In addition, I think I may need \$10K in Fuel to get us through the end of the year. It's difficult to nail down that figure, because some of it is billed out to other divisions and other departments. But \$10K should be safe.

Bottom line: I plan on requesting a total of \$50K to get us through the year.

Thanks!  
Jane

*Jane C. Kinsella  
Director, Public Works  
Town of Reading  
16 Lowell Street  
Reading, MA 01867*

*Tel 781-942-6673  
Fax 781-942-5441  
[jkinsella@ci.reading.ma.us](mailto:jkinsella@ci.reading.ma.us)*

*Town Hall is closed on Fridays.*



## **Finance Committee: Request for FY22 Reserve Fund Transfer**

To: FINCOM  
From: Fidel Maltez, Town Manager  
Date: June 29, 2022

It is respectfully requested that a transfer for \$50,000 be made from the FINCOM Reserve Fund to the accounts shown below, for unforeseen or extraordinary expenses:

14205540 540408 Equipment Parts and Maintenance \$22,000

- We had a major repair on one of the large trucks scheduled for replacement in 2026, (\$11K). We also had a large repair (\$11K) on a Fire Engine (suspension and steering).
- We lost two mechanics, one in December, one in May. As a result, much of our repairs needed to be outsourced. Outsourced repair rates have increased to over \$150/hr.
- The supply budget has increased at least 20% this past year. Every supplier has sent us letters with increases. For example, we used to purchase R134 Freon for \$90.00, this year it is \$350.00. The newer vehicles take a different type of Freon that is now \$600/tank.
- We have a very good vehicle maintenance tracking system that allows us to bring equipment for regular maintenance. The larger repairs, as stated above, were not planned/foreseen.
- We did recently update our capital plan to reflect a change in useful life. This update should help in the future, but in the short term, there are probably not enough funds to reflect the needed change.
  - Cars/Pickups: 10 years
  - Loaders/Backhoes: 10 years
  - Dump trucks: 15 years

14215540 540000 DPW Admin Supplies & Equipment \$18,000

- Within days of Town Meeting, we had a hit and run in the Town Common that destroyed an electrical cabinet. Insurance would only cover \$25K, so we needed to come up with the balance (\$15K).

- Town Meeting approved \$40K at ATM to replace a different/older electrical cabinet in the Town Common that the electrician felt was unsafe. The final bill for this unit was \$43K (an additional \$3K not budgeted).

14205548 548999 Highway Gasoline \$10,000

- Fuel prices have skyrocketed since the budget was finalized over a year ago.
- Our fuel purchases are centralized and by DPW. This has a tremendous benefit since DPW is able to purchase fuel in bulk, versus each vehicle having to purchase gasoline individually at a much higher rate. In other words, if fuel purchasing was not centralized, the financial burden to our budget of skyrocketing gasoline prices would be a lot higher.
- We do expect these issues to continue to impact our budget in FY2023 and beyond.

Current FINCOM Reserve Fund balance: \$200,000

Resulting balance if all items approved: \$150,000

Town Manager Recommendation:     **Approve**     Disapprove

Town Manager Signature: \_\_\_\_\_

Date: June 29, 2022

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By a vote of the FINCOM at a meeting held on June 29, 2022  
the transfer(s) for the above purpose(s) in the amount of \$50,000 was:

Approved                      Denied                      by a vote of: \_\_\_\_\_.

Finance Committee

\_\_\_\_\_  
Chair



## Town of Reading Meeting Minutes

2016-09-22 LAG

### Board - Committee - Commission - Council:

#### Finance Committee

Date: 2022-03-15

Time: 7:00 PM

Building: Reading Town Hall

Location: Select Board Meeting Room

Address: 16 Lowell Street

Session: Open Session

Purpose: General Business

Version: Draft

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

Chair Ed Ross, Geoffrey Coram, Marianne Downing, Joe McDonagh, Jackie McCarthy, Mark Zarrow

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

Vice Chair Jeanne Borawski, Eric Burkhardt, Andrew Mclauchlan

#### **Others Present:**

RMLD General Manager Coleen O'Brien, RMLD Director of Business and Finance Wendy Markiewicz, Town Manager Fidel Maltez, Town Accountant Sharon Angstrom (remote), Facilities Director Joe Huggins (remote), Assistant Facilities Director Kevin Cabuzzi (remote), Administrative Services Director Matt Kraunelis (remote), Assistant Town Manager Jean Delios (remote), DPW Director Jane Kinsella (remote), Public Health Director Ade Solarin (remote)

Select Board Members: Chair Karen Gately Herrick, Carlo Bacci (remote), Mark Dockser (remote), Chris Haley (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.

Select Board Chair Karen Gately Herrick called the Select Board to order at 7:00 pm.

#### **Liaison Reports:**

Marianne Downing noted that if the Finance Committee completes their work this evening, the Reading ARPA Advisory Committee (RAAC) can meet next week in the time slot currently reserved for FINCOM.

#### **RMLD Update:**

Wendy Markiewicz, Director of Business and Finance for RMLD, was present with Coleen O'Brien, General Manager for RMLD, to explain the payments to the Town of Reading. The above the line payment, or payment in lieu of taxes (PILOT), as determined by the 20-year agreement is 2% of net plant allocated by kilowatt hours (kWh) sales for each member town: Reading, North Reading, Lynnfield, and Wilmington. Payments are made two times per year on June 30<sup>th</sup> and December 31<sup>st</sup>. This is a legislative, non-voluntary payment. The amounts are based on the previous year's kWh sales.



Ms. Markiewicz reviewed the history of the below the line, or Return on Investment payment, only to the Town of Reading. The Board of Commissioners voted in 2020 to recalculate the formula that is more indicative of the health and financials of RMLD. Beginning June 30, 2022, the below the line payment will be calculated by the three-year audited average of kWh sales by 3.875 mils per kWh sold. This payment is voluntary. kWh sales are projected based on audited financials, and pending non-catastrophic events, weather related events, and electrification contributions.

Ms. Markiewicz and Ms. O'Brien answered several questions posed by Finance Committee members and provided further information on how RMLD makes their projections based on electrification.

**Vote on Annual Town Meeting Warrant Articles:**

Town Manager Fidel Maltez and Town Accountant Sharon Angstrom reviewed the Town Meeting Warrant Articles.

Article 1 – Election.

Article 2 – Reports.

Select Board State of the Town, Permanent Building Committee, State of the Schools, and reports from the Reading Center for Active Living Committee, and Parking Advisory and Recommendations Committee will be written or pre-recorded.

Article 3 – Instructional Motions.

Article 4 – Amendments to the FY2022-FY2032 Capital Plan.

**On a motion by Marianne Downing, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Article 4 to Town Meeting.**

Finance Committee report to Town Meeting assigned to Joe McDonagh.

Article 5 – Amendments to the current FY22 operating budget.

Changes include: a \$600,000 projected savings in Health Insurance premiums, and reallocating \$250,000 from those savings to fund Other Post-Employment Benefits (OPEB). A line will need to be added to replenish the Finance Committee Reserves used to purchase COVID test kits following the allocation of ARPA funds for the test kits and other COVID mitigation.

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 5 to Town Meeting.**

Finance Committee report assigned to Geoffrey Coram.

Article 6 – Prior Years Bills.

There are currently no bills from prior years. Article is expected to be tabled. Ms. Angstrom stated that if any bills are discovered prior to Town Meeting, the Finance Committee can meet again to discuss and vote.

Article 7 – Other Post-Employment Benefits (OPEB)

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 7 to Town Meeting.**

Finance Committee report assigned to Marianne Downing.

Article 8 – Smart Growth Stabilization Fund.

The Town is not receiving any funds for the Smart Growth District. Article is expected to be tabled.

Article 9 –Revolving Funds.

More properties have been added to the Inspections Revolving Fund. There are no changes to the expenditure limits.

**On a motion by Geoffrey Coram, and seconded by Jackie McCarthy, the Finance Committee voted 6-0-0 to recommend the substance of Article 9 to Town Meeting.**

Finance Committee report assigned to Ed Ross.

Article 10 – Affordable Housing Trust Fund.

There are no changes and no recommended spending of this fund.

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 10 to Town Meeting.**

Finance Committee report assigned to Mark Zarrow.

Article 11 – Add Revolving Fund for Community Garden.

The new fund is a way to receive fees for Community Garden plots, which will be used by the Conservation Commission to expend on water and other garden expenses.

**On a motion by Geoffrey Coram, and seconded by Marianne Downing, the Finance Committee voted 6-0-0 to recommend the substance of Article 11 to Town Meeting.**

Finance Committee report assigned to Jackie McCarthy.

Articles 12, 13, and 14 for drainage easements, and Article 15 Zoning Bylaw amendments are not financially related, and do not require Finance Committee votes.

Article 16 – RMLD Land Purchase.

Reading Municipal Light Department wants to buy property in Wilmington. Though KP Law stated that Town Meeting approval is not required, RMLD is presenting to Town Meeting as a courtesy. The purchase will be paid by RMLD's own reserves and will not impact electric rates.

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 16 to Town Meeting.**

Finance Committee report will be assigned to either Jeanne Borawski, Eric Burkhart, or Andrew Mclauchlan.

Article 17 – Acceptance of Chapter 90 Funds.

Amount of projected Chapter 90 funds for FY23 is \$599,388.

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend the substance of Article 17 to Town Meeting.**

Finance Committee report assigned to Ed Ross.

Article 18 – FY23 Budget.

**On a motion by Geoffrey Coram, and seconded by Marianne Downing, the Finance Committee voted 6-0-0 to recommend Budget Line Item B99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item C99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item D99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item E99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item F99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item G91 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item G92 as written.**



**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item Z99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item ZZ9 as written.**

Finance Committee report assigned to Ed Ross.

Article 19 – Removal of Absent Town Meeting Members.  
This Article is expected to be tabled.

**On a motion by Chris Haley, and seconded by Carlo Bacci, the Select Board voted 3-0 to adjourn at 9:11 pm, as Mark Dockser had already left the meeting.**  
**Roll call vote: Chris Haley-Yes, Carlo Bacci-Yes, Karen Gately Herrick-Yes.**

**Approve Meeting Minutes:**

**On a motion by Marianne Downing, and seconded by Geoffrey Coram, the Finance Committee voted 6-0-0 to approve the meeting minutes of March 9, 2022.**

**Future Meeting Dates & Agendas:**

Mr. Ross noted that as of now, there are no meetings scheduled between now and the start of Town Meeting, but if something comes up, a meeting could be added the week prior or the hour before the start of Town Meeting.

The Finance Committee will be posted to attend the RAAC meeting on March 23<sup>rd</sup>.

Mr. Zarrow suggested continuing the discussion on Free Cash.

Mr. Ross added that there may be more topics that come up from the ARPA discussions.

**On a motion by Mark Zarrow, and seconded by Geoffrey Coram, the Finance Committee voted 6-0-0 to adjourn at 9:19 pm.**



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

#### Finance Committee

Date: 2022-04-25

Time: 6:30 PM

Building: School - Memorial High

Location: Performing Arts Center

Address: 62 Oakland Road

Session: Open Session

Purpose: General Business

Version: Draft

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

Chair Ed Ross, Vice Chair Jeanne Borawski, Geoffrey Coram, Joe McDonagh, Marianne McLaughlin-Downing, Mark Zarrow

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

Eric Burkhardt, Andrew Mclauchlan

#### **Others Present:**

Town Accountant Sharon Angstrom, Town Manager Fidel Maltez

**Minutes Respectfully Submitted By:** Jacquelyn LaVerde

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### Topics of Discussion:

This meeting was held in-person at the Performing Arts Center of Reading Memorial High School, prior to the start of Town Meeting.

Chair Ed Ross called the meeting to order at 6:35 pm.

Town Accountant Sharon Angstrom reviewed the revisions to the spending scorecard. The spending scorecard reflected the original high numbers received from the MWRA, but when the new figures came in, the spending scorecard was not updated. The water total was \$135,000 too high, and the sewer total was \$170,000 too high. The support in the warrant report was correct. The corrected figures were \$8,147,447 for water and \$7,328,050 for sewer.

**On a motion by Ms. Borawski, and seconded by Ms. Downing, the Finance Committee voted 6-0-0 to approve the revised line item W99 amount of \$8,147,447.**

**On a motion by Mr. McDonagh, and seconded by Mr. Zarrow, the Finance Committee voted 6-0-0 to approve the revised line item X99 amount of \$7,328,050.**

**On a motion by Ms. Borawski, and seconded by Mr. McDonagh, the Finance Committee voted to adjourn at 6:42 pm.**