



Town of Reading Meeting Minutes

RECEIVED
TOWN CLERK
READING, MA.

2022 SEP 22 AM 7:37

M-L

Board - Committee - Commission - Council:

Finance Committee

Date: 2022-08-17

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, Vice Chair Jeanne Borawski, Joe Carnahan, Geoffrey Coram (remote), Joe McDonagh, Marianne McLaughlin-Downing, Emily Sisson, Mark Zarrow

Members - Not Present:

Andrew McLaughlan

Others Present:

Town Manager Fidel Maltez, Town Accountant Sharon Angstrom, Jackie McCarthy (remote)

Minutes Respectfully Submitted By: Jacquelyn LaVerde

Topics of Discussion:

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

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

Liaison Reports:

Geoffrey Coram attended the School Committee meeting. On the Subsequent Town Meeting warrant, the Facilities Director will be asking for \$500,000 for the Parker Middle School roof replacement, and a \$200,000 increase to deal with some glycol recycling at the High School to prevent pipes from freezing, as the cost to pump it out and back in has tripled in price since the pandemic.

Marianne Downing noted that the School Committee also reviewed an outline of the new Killam School, which will include moving RISE to Killam, and may increase the size of the building by 30%.

Mark Zarrow attended the Audit Committee meeting and noted that the auditing firm, Melanson, was happy with the results and complimentary of the Town Accountant. They will pick some areas to look at for the next audit.

Ed Ross also noted that the Audit Committee discussed the AAA bond rating. There are only approximately 30 communities that are AAA bond rated. He gave credit for the rating to the policies the Town has in place and their execution.

FY23 meeting schedule:

At the first Financial Forum on September 21st, Sean Cronin from the Department of Revenue Division of Local Services will come to talk about municipal finance and school

building projects. The second Financial Forum is scheduled for October 26th. Subsequent Town Meeting begins November 14th. Finance Committee votes for the warrant articles will need to be completed by October 18th. Town Manager Fidel Maltez noted that the Select Board will preview the warrant articles on August 30th. Financial articles include: proposed amendments to the Capital Plan, proposed changes to the FY23 budget, and approval of payments of prior years' bills, though there are no previous bills currently. The Finance Committee will also be asked to vote and report on the \$2.2 million request for the Killam School, and a senior tax break that needs to be reapproved.

For the rest of the FY23 meeting schedule, Mr. Ross asked Mr. Maltez to put together a meeting schedule.

Communication Policy (Email, Website):

Committee members agreed that communications should go to the entire group. Currently, the finance@ci.reading.ma.us email goes to the Town Accountant. Most of the emails to that group are spam or requests for information, and relevant information is forwarded to the Committee. Ms. Borawski suggested that the Chair be added to the distribution list. Committee members also agreed that the personal contact information should be removed from the Liaison Assignment List, and that finance@ci.reading.ma.us should be included as the means of contacting the Committee.

Discuss Financial Forum Agenda:

The first Financial Forum is scheduled for September 21st. There will be a presentation on municipal finance by Sean Cronin from the Department of Revenue, which is anticipated to aid in the discussion of the second Financial Forum of capital projects and budgets.

Because Free Cash will not be certified until the beginning of October, Town Accountant Sharon Angstrom stated that she will provide an estimate at the Financial Forum. The Finance Committee will schedule a meeting after the Financial Forum to discuss and provide guidance.

Marianne Downing noted that the Reading ARPA Advisory Committee (RAAC) will provide an update on what ARPA funds have already been allocated, and what has been recommended.

Discuss Affordable Housing Trust Fund - from SB 7/19:

Town Manager Fidel Maltez provided an overview of the proposed Affordable Housing Trust Fund Committee. Reading adopted its own Affordable Housing Trust Fund prior to the state passing Chapter 44 Section 55. The proposed board would designate what the money in the trust fund would be used for.

Town Meeting would have to take three actions: repeal the Reading Trust Fund established in 2001, adopt M.G.L. Chapter 44 Section 55 to allow the Town to adopt the new Trust Fund, then create the bylaw. The proposed board will be comprised of five people with two-year terms, one member to be a Select Board member, and the other four members should have experience with housing and development. The governing body would be the Select Board.

There would be financial implications, such as an audit once a year, and articles may go before Town Meeting that would be sponsored by the Finance Committee. FINCOM members agreed it would be beneficial for a Finance Committee member to be one of the other four members.

Review Preliminary FY2024 Capital Plan:

Town Accountant Sharon Angstrom reviewed the Capital Plan. She noted some minor changes in the FY24 plan, which is currently at 5.5%, including an additional \$590,000. At November Town Meeting, there will be a request to move \$100,000 for replacement firearms for the Police Department up to FY23 using current year savings. Existing firearms will be sold and should yield a decent price, as they are needed for parts.

In the FY24 plan, borrowing is anticipated for \$500,000 for 10 years for the Parker MS roof, \$2 million 20 years for the water tower, \$1 million for 10 years for sustainability. Ms. Angstrom noted that she tries to adjust projects as best she can to keep the amount to 5%, but currently FY25 is projected at 5.37%.

Review FY2024 Budget Process:

Ms. Angstrom provided an overview of the budget process to date. She has reviewed the accommodated costs, such as benefits, and looked at the actual expenditures compared with Previous Town Manager Bob LeLacheur's projections, and found Mr. LeLacheur's projections to be very solid. When building a budget, there are a lot of unknowns, but FY24 is estimated at a 3% increase.

Discuss Current and Expiring Grants:

Town Accountant Sharon Angstrom shared the amounts of known grants:

- FY22: \$538,805
- FY23: \$2,373,806
- FY24: \$718,388 (Municipal Vulnerability Preparedness grant)

Mr. Maltez noted that there is a pending application for \$1 million for a senior center feasibility study for FY23.

Approve Meeting Minutes: July 27, 2022:

On a motion by Jeanne Borawski, and seconded by Joe Carnahan, the Finance Committee voted 8-0-0 to approve the meeting minutes of July 27th, 2022.

Roll call vote: Geoffrey Coram – Yes, Joe McDonagh – Yes, Marianne Downing – Yes, Mark Zarrow – Yes, Jeanne Borawski – Yes, Joe Carnahan – Yes, Emily Sisson – Yes, Ed Ross – Yes.

On a motion by Emily Sisson, and seconded by Jeanne Borawski, the Finance Committee voted 8-0-0 to adjourn at 9:12 pm.

Roll call vote: Geoffrey Coram – Yes, Joe McDonagh – Yes, Marianne Downing – Yes, Mark Zarrow – Yes, Jeanne Borawski – Yes, Joe Carnahan – Yes, Emily Sisson – Yes, Ed Ross – Yes.