



Town of Reading Meeting Posting with Agenda

Board - Committee - Commission - Council:

Finance Committee

Date: 2023-09-20

Time: 7:00 PM

Building: Reading Public Library

Location: Community Room

Address: 64 Middlesex Avenue

Agenda: Revised

Purpose: Financial Forum

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:

The Financial Forum will be held in-person in the Community Room of the Reading Public Library, and remotely via Zoom:

Join Zoom Meeting

<https://us06web.zoom.us/j/85493394505>

Meeting ID: 854 9339 4505

One tap mobile

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+16465189805,,85493394505# US (New York)

Dial by your location

• +1 646 558 8656 US (New York)

• +1 646 518 9805 US (New York)

Find your local number: <https://us06web.zoom.us/u/kb6EnvhLQk>

AGENDA:

Topic	Presenter(s)
Killam School Presentation	Killam School Building Committee
Financial Updates: <ul style="list-style-type: none">- Revenue Update- Free Cash Update- FY25 Accommodated Costs- FY25 Operating Budgets under Free Cash Scenarios	Chief Financial Officer Sharon Angstrom
FY25 School Finance Overview	School Superintendent Tom Milaschewski & Finance Director of Schools Derek Pinto

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.



Town of Reading Meeting Posting with Agenda

Discussion on Free Cash Usage in FY25 Budgets	Chief Financial Officer Sharon Angstrom
Presentation Pickleball Players Association on Potential Citizens Petition for Burbank Ice Arena	Reading Pickleball Players Association
Future Meeting Agendas	Finance Committee
Approve Prior Meeting Minutes - August 23, 2023	Finance Committee

*Revised September 18, 2023 to add Pickleball presentation.
Originally posted September 13, 2023 at 4:53 pm.



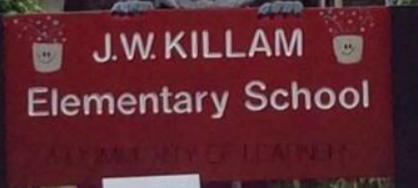
Project Leaders

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Reading J. Warren Killam Elementary School

Owner's Project Management

July 17, 2023

Prepared by: Colliers Project Leaders

Accelerating success.

Introductions

Key Personnel



DEREK OSTERMAN
Principal-in-Charge



MIKE CARROLL
Project Director



SUZANNA YEUNG
Project Manager



THAO NGUYEN
Financial Monitoring &
Reporting

MSBA Modules

Modules

- 1: Eligibility Period
- 2: Forming the Project Team
- 3: Feasibility Study
- 4: Schematic Design
- 5: Project Funding
- 6: Detailed Design
- 7: Construction
- 8: Project Completion
- 9: Post Occupancy Evaluation

Currently working on
Modules 2-4

Building With Us

The MSBA's grant program for school building construction and renovation projects is a non-entitlement competitive program. The MSBA's Board of Directors approves grants based on need and urgency as expressed by the City, Town, Regional School District or independent agricultural and technical school and validated by the MSBA. Once the MSBA Board of Directors invites a District to participate in the MSBA's grant program, the District and the MSBA work together, in a collaborative process, as outlined below.

MSBA Building Process

Steps primarily for:



The MSBA has prepared detailed modules which outline the process and policies for each of the steps mentioned above. For an overview of these modules, [click here](#).

MSBA Modules

Modules

- 1: Eligibility Period
- 2: Forming the Project Team
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MSBA Building Process

Steps primarily for:



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Our Schedule

Requested in the RFP
20-24 Months

Our Schedule
3.5 Months - Mod 2
8.0 Months - Mod 3
7.0 Months - Mod 4
7.0 Months - Mod 5*

*Overlap of 4 & 5 = 5 months

20.5 Months - Overall

Owner and the MSBA. The total duration of the Contract is estimated as follows:

- | | | |
|----|--|---------------|
| 1. | Feasibility Study/Schematic Design Phase; | 20-24 months* |
| 2. | Design Development/Construction Documents/Bidding Phase; and | 10-12 months* |
| 3. | Construction Phase. | 24-36 months* |

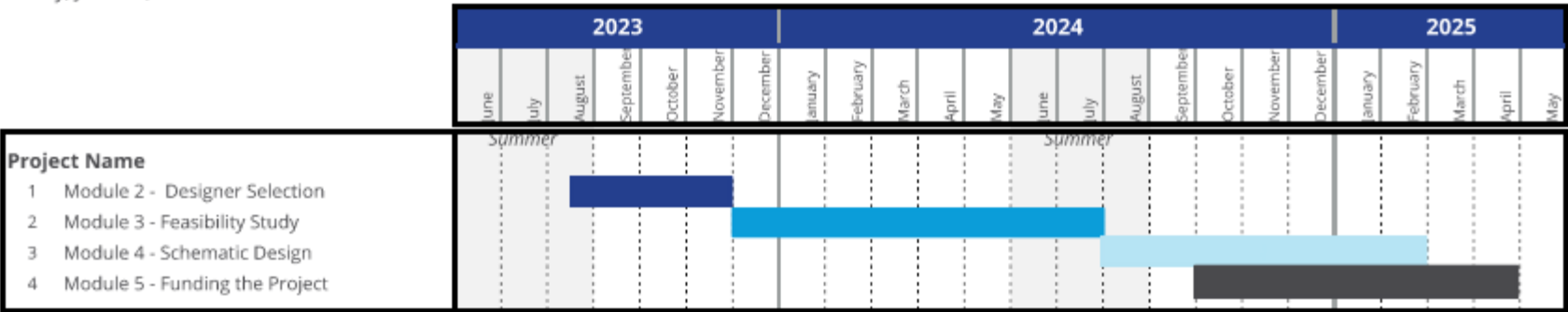
(*These ranges for scheduling timeframes are provided as guidelines only and are based upon schedules established by other Owners.)

J Warren Killam Elementary School Feasibility / Schematic Design

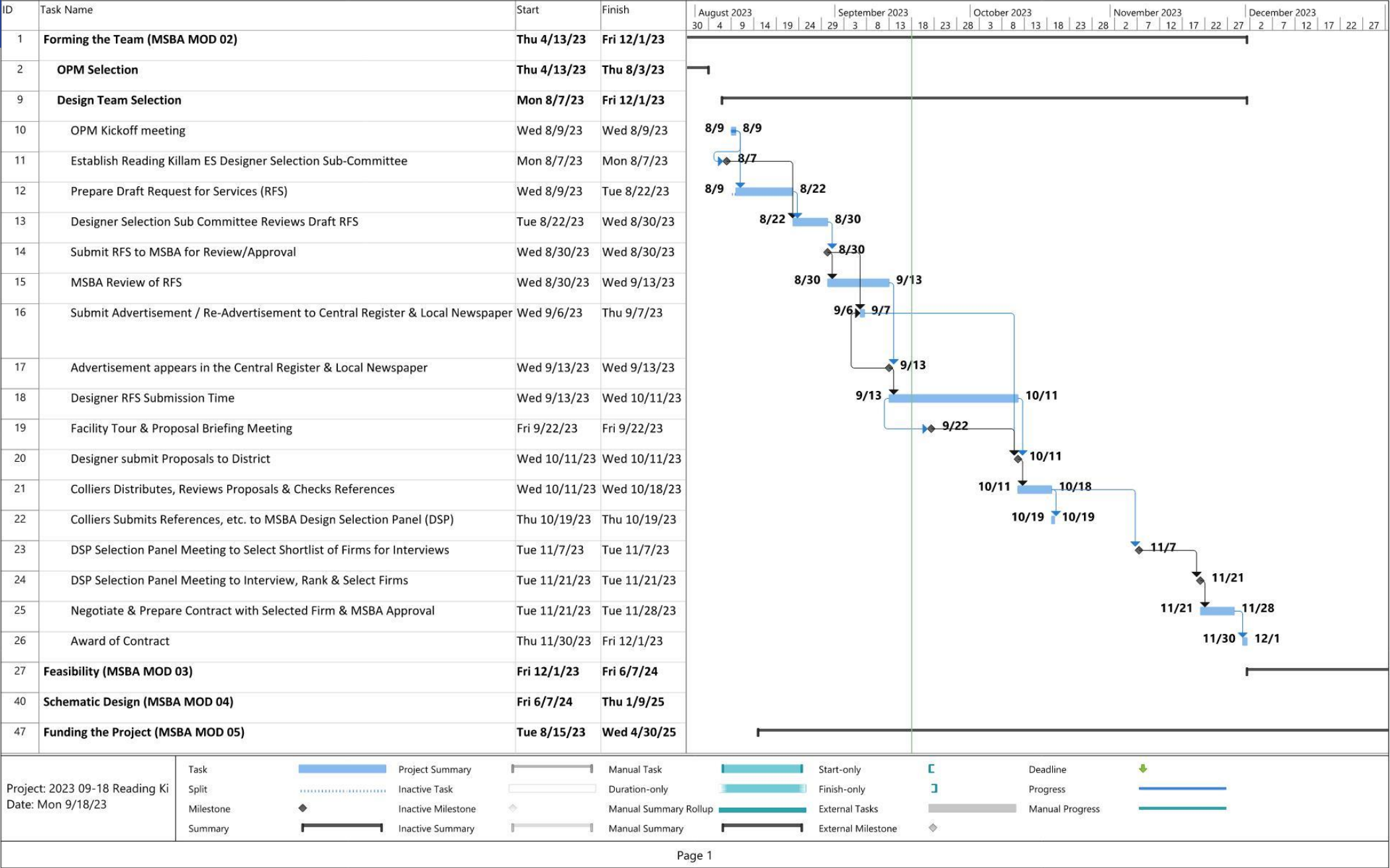
Town of Reading, Massachusetts

Detailed Schedule & Fees for Owner's Project Management Services

Friday, June 23, 2023



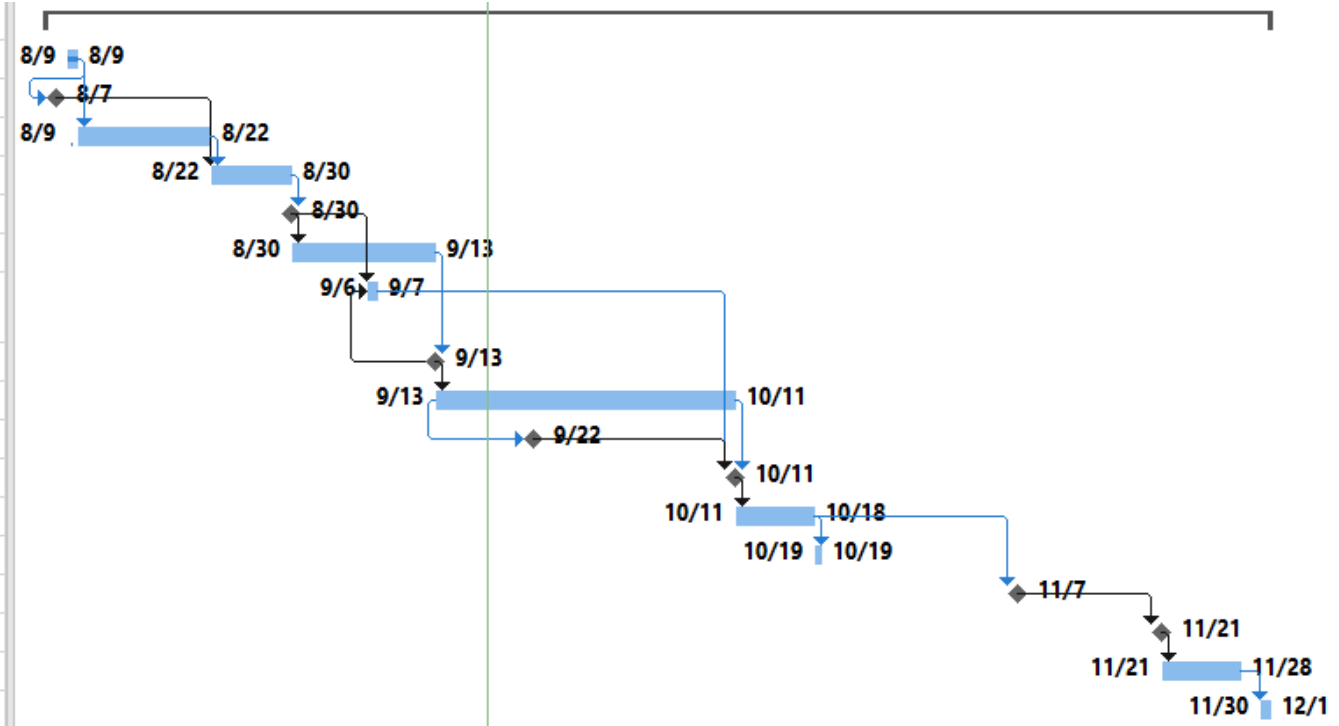
Schedule



Module 2

Selecting the Team / Designer Selection

	Start	Finish
▀ Design Team Selection	Mon 8/7/23	Fri 12/1/23
OPM Kickoff meeting	Wed 8/9/23	Wed 8/9/23
Establish Reading Killam ES Designer Selection Sub-Committee	Mon 8/7/23	Mon 8/7/23
Prepare Draft Request for Services (RFS)	Wed 8/9/23	Tue 8/22/23
Designer Selection Sub Committee Reviews Draft RFS	Tue 8/22/23	Wed 8/30/23
Submit RFS to MSBA for Review/Approval	Wed 8/30/23	Wed 8/30/23
MSBA Review of RFS	Wed 8/30/23	Wed 9/13/23
Submit Advertisement / Re-Advertisement to Central Register & Local Newspaper	Wed 9/6/23	Thu 9/7/23
Advertisement appears in the Central Register & Local Newspaper	Wed 9/13/23	Wed 9/13/23
Designer RFS Submission Time	Wed 9/13/23	Wed 10/11/23
Facility Tour & Proposal Briefing Meeting	Fri 9/22/23	Fri 9/22/23
Designer submit Proposals to District	Wed 10/11/23	Wed 10/11/23
Colliers Distributes, Reviews Proposals & Checks References	Wed 10/11/23	Wed 10/18/23
Colliers Submits References, etc. to MSBA Design Selection Panel (DSP)	Thu 10/19/23	Thu 10/19/23
DSP Selection Panel Meeting to Select Shortlist of Firms for Interviews	Tue 11/7/23	Tue 11/7/23
DSP Selection Panel Meeting to Interview, Rank & Select Firms	Tue 11/21/23	Tue 11/21/23
Negotiate & Prepare Contract with Selected Firm & MSBA Approval	Tue 11/21/23	Tue 11/28/23
Award of Contract	Thu 11/30/23	Fri 12/1/23



Next Steps

Action Items

- Designer Ad on Central Register
 - Site Walk
- Applications due to District
- Applications due to MSBA
- DSP Selection Panel Meeting to Select Shortlist
- Designer Interviews
- Award Contract

Dates

- 09/13/2023
- 09/22/2023
- 10/11/2023
- 10/19/2023
- 11/07/2023
- 11/21/2023
- 11/30/2022

** Designer selection panel meeting dates

08/08
10/03
11/21

08/22
10/17
12/05

09/12
11/07
12/19



Project Leaders



Thank you!

Town of Reading

- Financial Forum
September 20, 2023



Financial Forum Agenda

September 20, 2023

FINCOM Opening Remarks – Chair Edward Ross

Killam School Presentation- Killam School Building Committee

Financial Updates

Revenue Update – Sharon Angstrom

Free Cash Update – Sharon Angstrom

FY25+ Accommodated Costs – Sharon Angstrom

FY25+ Operating Budgets under Free Cash Scenarios – Sharon Angstrom

FY25 School Finance Overview – Tom Milaschewski and Derek Pinto

Discussion about Free Cash Usage in FY25 Budgets – FINCOM

Citizens Petition for Burbank Ice Arena – Pickleball Players Association

FINCOM meeting in October – agenda items?

Approve Minutes

FINCOM Closing Remarks – Edward Ross

FY25 Revenues

Property Taxes	\$ 89.0 mil.	+1.9%
----------------	--------------	-------

- | | | |
|-----------------|---------------|--------|
| • Baseline levy | \$87.62 mil. | + 3.7% |
| • New Growth | \$.95 mil. | + 0.0% |
| • Excluded debt | \$ 1.28 mil. | -52.4% |
| • Abate/Exempt | -\$ 0.85 mil. | + 2.5% |

Other Local Rev.	\$ 9.5 mil.	+11.2%
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State Aid	\$15.9 mil.	+2.5%
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Other	\$ 4.4 mil.	+1.8%
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Free Cash	TBD
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Projected FY23-25 Revenues

	FY23	FY24	FY25
Revenues (\$ millions)	108.80	113.26	117.78
excluded debt impact	2.73	2.69	1.28
	111.53	115.95	119.06
	4.0%	3.96%	2.68%
Free Cash used	3.23	3.28	TBD
Revenues + Free Cash	114.76	119.23	
	3.7%	3.9%	

5 Year Free Cash Analysis (millions)

	FY19	FY20	FY21	FY22	FY23 (est.)
Certified Beg. Bal. at 7/1	\$11.01	\$15.64	\$14.79	\$17.73	\$19.93
Revenue over budget	2.99	.93	1.69	2.61	4.59
Expenses under budget	3.20	2.94	3.03	2.48	1.72
Use of Free Cash	-1.0	-4.13	-2.95	-3.67	-6.57
Other Adj. to Free Cash	-.56	-.59	-1.2	.78	-.35
Certified Bal at 6/30	\$15.64	\$14.79	\$17.73	\$19.93	\$19.32

FY23 Revenues

Total \$4.59 million over estimates

Investment Income	+\$2.74mill
Property Taxes	+\$205k
Penalties & Interest	+\$134k
Meals Taxes	+\$111k
Payment in Lieu of Taxes	+\$ 44k
Motor Vehicle Excise taxes	-\$ 30k
*Delinquent taxes	+\$738k
*Miscellaneous<\$100k each	+\$437k
*Medicaid Reimb.	+\$ 65k
*Local Assistance/Other State Rev.	+\$ 55k

mostly sustainable + \$3.23 million

**one-time payments + \$1.29 million*

FY23 Expenditures

Total \$1.72 million under budget

Employee Benefits	-\$ 97k	
Capital Expenses	-\$126k	
FINCOM Reserves	-\$190k	
Snow & Ice	-\$ 23k	
Street Lighting	<u>-\$ 14k</u>	\$.45 mill.
Schools	<u>-\$ 101k</u>	\$.10 mill.
Town Salaries (<i>PS, PW, & Pub Safety vacancies</i>)	-\$609k	
Town Salaries (All Other Departments)	-\$140k	
Various Town Expense Accounts	<u>-\$426k</u>	\$1.17 mill.

Projected FY24-26 Accommodated Costs (millions)

	FY24	FY25	Change	FY26	Change
Accommodated Costs	43. 477	44.390	2.10%	44.588	.4%
Benefits	20.682	21.892	5.8%	23.050	5.3%
Capital & Debt	9.005	7.848	-12.8%	6.137	-21.8%
Energy	2.291	2.563	11.9%	2.638	2.9%
Financial	1.132	1.170	3.4%	1.200	2.6%
Education - SPED OOD	5.803	6.035	4.0%	6.277	4.0%
Education-Voc.	0.905	1.141	26.1%	1.187	4.0%
Misc. & Comm Prior	3.659	3.740	2.3%	4.100	10.0%

Projected FY24-26 Benefits (millions)

	FY24	FY25	Change	FY26	Change
Benefits	20.683	21.892	5.8%	23.050	4.5%
Retirement	6.180	6.689	8.3%	7.242	8.3%
OPEB	0.500	0.500	0.0%	0.500	0.0%
Worker Comp	0.390	0.400	2.6%	0.405	1.3%
Unemployment	0.075	0.120	60.0%	0.120	0.0%
Health/Life Ins.	12.398	13.018	5.0%	13.603	4.5%
Medicare/Soc Sec	1.005	1.025	2.0%	1.035	1.0%
Police/Fire Indem	0.135	0.140	3.7%	0.145	3.6%

Projected FY24-26 Capital + Debt (millions)

	FY24	FY25	Change	FY26	Change
Capital/Debt	9.005	7.848	-12.8%	6.137	-21.80%
Capital	2.938	3.030	3.1%	3.179	4.9%
Debt inside levy	3.381	3.538	4.0%	2.958	-6.6%
Excluded Debt	2.686	1.279	-52.4%	-	

**FY25 Free Cash
Usage
(note that
approx. ~\$700k
is directed at
'extra' capital)**

FY25			
Total Free Cash Usage (\$millions)	Free Cash to support Operating Budget	Free Cash Usage for extra Capital	Increase to Operating Budgets
\$3.15	\$2.45	\$0.70	2.50%
\$3.33	\$2.63	\$0.70	2.75%
\$3.52	\$2.82	\$0.70	3.00%
\$3.70	\$3.00	\$0.70	3.25%
\$3.89	\$3.19	\$0.70	3.50%
\$4.08	\$3.38	\$0.70	3.75%
\$4.26	\$3.56	\$0.70	4.00%
\$4.45	\$3.75	\$0.70	4.25%



FINCOM Meetings

Edward Ross,
FINCOM Chair

FY25 Budget Public Meetings

September 20

Financial Forum I

October 11

Recommendations/Guidance
for FY25 Budget
Vote Items for November Town
Meeting

October 25

Financial Forum II

November 1

Regular Meeting (if needed)

Dec 5, 6 & 12

Attend Select Board

January 4, 11, 18 & 25

Attend School Committee

February 21

FINCOM: School budget

February 28

FINCOM: Town budgets

March 6 & 13

FINCOM: Vote Budgets & TM
Articles

January 31

*Charter: School Committee
Budget to Town Manager*

February 28

*Charter: Balanced TM Budget
to FINCOM*

		4.00%			3.25%			2.75%	2.75%
Town of Reading Budget Summary									
9/18/23 1:01 PM	Projected	One Yr Chng FY24	Projected	One Yr Chng FY25	Projected	One Yr Chng FY26	Projected	One Yr Chng FY27	
Revenues	FY24		FY25		FY26		FY27		
Total Property Taxes	87,348,419	3.5%	89,008,564	1.9%	90,947,086	2.2%	94,270,763	3.7%	
Total Other Local Revenues	8,750,000	12.3%	9,731,000	11.2%	10,310,000	6.0%	10,891,000	5.6%	
Total Intergov't Revenues	15,545,030	2.5%	15,933,656	2.5%	16,331,997	2.5%	16,740,297	2.5%	
Total Transfers & Available	4,309,289	3.1%	4,385,589	1.8%	4,472,127	2.0%	4,561,966	2.0%	
Revs before Free Cash	\$ 115,952,738	3.96%	\$ 119,058,809	2.68%	\$ 122,061,210	2.52%	\$ 126,464,027	3.61%	
Free Cash	2,580,000	1.6%	3,000,000	16.3%	3,200,000	6.7%	3,350,000	4.7%	
Extra for Capital	700,000	2.0%	700,000	0.0%	0	-100%	0	-100%	
Net Available Revenues	\$ 119,232,738	3.90%	\$ 122,758,809	2.96%	\$ 125,261,210	2.04%	\$ 129,814,027	3.63%	
Accommodated Costs									
Benefits	20,682,688	4.3%	21,892,192	5.8%	23,049,901	5.3%	24,252,574	5.2%	
Capital	2,938,000	-4.8%	3,030,000	3.1%	3,179,000	4.9%	3,221,000	1.3%	
Debt (inside levy)	3,380,694	4.0%	3,538,363	4.7%	2,958,275	-16.4%	3,104,850	5.0%	
Debt (excluded)	2,686,112	-1.5%	1,279,700	-52.4%	0	-100.0%	0		
Energy	2,290,700	12.0%	2,563,800	11.9%	2,637,558	2.9%	2,723,989	3.3%	
Financial	1,132,000	3.7%	1,170,000	3.4%	1,200,000	2.6%	1,226,125	2.2%	
Education - Out of district	5,803,200	4.0%	6,035,328	4.0%	6,276,741	4.0%	6,527,811	4.0%	
Education - Vocational	904,800	4.0%	1,140,992	26.1%	1,186,632	4.0%	1,234,097	4.0%	
Miscellaneous	3,508,805	2.3%	3,589,822	2.3%	3,949,602	10.0%	4,332,038	9.7%	
Community Priorities	150,000	0.0%	150,000	0.0%	150,000	0.0%	150,000	0.0%	
Accommodated Costs	\$ 43,476,999	3.72%	\$ 44,390,197	2.10%	\$ 44,587,709	0.44%	\$ 46,772,484	4.90%	
Net Accommodated Costs	\$ 43,476,999	3.72%	\$ 44,390,197	2.10%	\$ 44,587,709	0.44%	\$ 46,772,484	4.90%	
	\$ 2,822		\$ 904		\$ 680		\$ 220		
Operating Costs									
Municipal Gov't Operating adjustments	26,457,537	4.00%	27,317,406	3.25%	28,069,688	2.75%	28,841,604	2.75%	
adjustments (EF+RF)	1,243,882	4.00%	1,284,308	3.25%	1,319,627	2.75%	1,355,916	2.75%	
TOTAL Muni Govt OPER	27,701,419	4.00%	28,602,739	3.25%	29,389,315	2.75%	30,197,521	2.75%	
School Operating adjustments	48,051,498	4.00%	49,613,171	3.25%	51,133,506	2.75%	52,693,802	2.75%	
			151,798		150,000		150,000		
TOTAL School OPER	48,051,498	4.00%	49,764,969	3.57%	51,283,506	3.05%	52,843,802	3.04%	
Operating Budgets	\$ 75,752,916	4.00%	\$ 78,367,708	3.45%	\$ 80,672,820	2.94%	\$ 83,041,323	2.94%	
Municipal Gov't Operating	36.6%		36.5%		36.4%		36.4%		
School Operating	63.4%		63.5%		63.6%		63.6%		
TOTAL SPENDING	\$ 119,229,915	3.90%	\$ 122,757,905	2.96%	\$ 125,260,529	2.04%	\$ 129,813,806	3.64%	
Muni Govt OPER	\$ 27,701,419	4.00%	\$ 28,602,739	3.25%	\$ 29,389,315	2.75%	\$ 30,197,521	2.75%	
Muni Govt ACCOM	\$ 5,931,950	6.17%	\$ 6,304,078	6.27%	\$ 6,747,127	7.03%	\$ 7,221,119	7.03%	
Muni Govt TOTAL	\$ 33,633,369	4.38%	\$ 34,906,817	3.79%	\$ 36,136,442	3.52%	\$ 37,418,639	3.55%	
School OPER	\$ 48,051,498	4.00%	\$ 49,764,969	3.57%	\$ 51,283,506	3.05%	\$ 52,843,802	3.04%	
School ACCOM	\$ 5,803,200	4.00%	\$ 6,035,328	4.00%	\$ 6,276,741	4.00%	\$ 6,527,811	4.00%	
School TOTAL	\$ 53,854,698	4.00%	\$ 55,800,297	3.61%	\$ 57,560,247	3.15%	\$ 59,371,613	3.15%	

Town of Reading Revenues - Details	Projected	One Yr Chng	Projected	One Yr Chng	Projected	One Yr Chng	Projected	One Yr Chng
9/18/23 1:01 PM	FY24	FY24	FY25	FY25	FY26	FY26	FY26	FY26
Property Taxes								
Tax levy (within levy limit)	84,536,301	3.7%	87,623,459	3.7%	90,787,795	3.6%	94,108,115	3.7%
New Growth	950,000	3.7%	950,000	0.0%	1,025,000	7.9%	1,050,000	2.4%
Tax levy (debt exclusion)	2,686,112	-1.5%	1,279,700	-52.4%	-	-100.0%	-	#DIV/0!
Abatements and exemptions	(823,995)	2.5%	(844,595)	2.5%	(865,709)	2.5%	(887,352)	2.5%
Total Property Taxes	87,348,419	3.5%	89,008,564	1.9%	90,947,086	2.2%	94,270,763	3.7%
Other Local Revenues								
Motor Vehicle Excise	4,000,000	1.4%	4,250,000	6.3%	4,500,000	5.9%	4,750,000	5.6%
Meals Tax	515,000	17.0%	565,000	9.7%	590,000	4.4%	630,000	6.8%
Penalties/interest on taxes	350,000	29.6%	380,000	8.6%	400,000	5.3%	420,000	5.0%
Payments in lieu of taxes	435,000	8.7%	465,000	6.9%	480,000	3.2%	495,000	3.1%
Charges for services	2,350,000	10.6%	2,560,000	8.9%	2,755,000	7.6%	2,950,000	7.1%
Licenses & permits	165,000	0.0%	175,000	6.1%	185,000	5.7%	200,000	8.1%
Fines	80,000	0.0%	86,000	7.5%	90,000	4.7%	95,000	5.6%
Interest Earnings	700,000	197.9%	1,085,000	55.0%	1,140,000	5.1%	1,176,000	3.2%
Medicaid Reimbursement	155,000	19.2%	165,000	6.5%	170,000	3.0%	175,000	2.9%
Total Other Local Revenues	8,750,000	12.3%	9,731,000	11.2%	10,310,000	6.0%	10,891,000	5.6%
Intergovernmental Revenue								
State Aid	15,545,030	2.5%	15,933,656	2.5%	16,331,997	2.5%	16,740,297	2.5%
Total Intergov't Revenues	15,545,030	2.5%	15,933,656	2.5%	16,331,997	2.5%	16,740,297	2.5%
Operating Transfers and Available Funds								
Cemetery sale of lots	25,000	0.0%	25,000	0.0%	25,000	0.0%	25,000	0.0%
RMLD payment	2,587,000	2.4%	2,625,000	1.5%	2,677,500	2.0%	2,731,050	2.0%
Enterprise Fund Support	1,243,882	4.0%	1,284,308	3.3%	1,319,627	2.8%	1,355,916	2.8%
School Revolving Funds	100,000	0.0%	100,000	0.0%	100,000	0.0%	100,000	0.0%
Premiums Reserve for Debt	3,407	-34%	1,281	-62%	0	-100%	0	#DIV/0!
Overlay surplus	350,000	7.7%	350,000	0.0%	350,000	0.0%	350,000	0.0%
Total Transfers & Available	4,309,289	3.1%	4,385,589	1.8%	4,472,127	2.0%	4,561,966	2.0%
OPERATING REVENUES	115,952,738	3.96%	119,058,809	2.68%	122,061,210	2.52%	126,464,027	3.61%
Free Cash	3,280,000	1.7%	3,280,000	0.0%	2,600,000	-20.7%	2,600,000	0.0%
TOTAL REVENUES	119,232,738	3.90%	122,338,809	2.61%	124,661,210	1.90%	129,064,027	3.53%
Town of Reading Acc. Costs - Summary								
9/18/23 1:01 PM	Projected	One Yr Chng	Projected	One Yr Chng	Projected	One Yr Chng	Projected	One Yr Chng
	FY24	FY24	FY25	FY25	FY26	FY26	FY26	FY26
Benefits	20,682,688	4.3%	21,892,192	5.8%	23,049,901	5.3%	24,252,574	5.2%
Capital	2,938,000		3,030,000		3,179,000		3,221,000	
Debt (inside levy)	3,380,694	-0.3%	3,538,363	4.0%	2,958,275	-6.6%	3,104,850	3.1%
Debt (excluded)	2,686,112		1,279,700		-		-	
Energy	2,290,700	12.0%	2,563,800	11.9%	2,637,558	2.9%	2,723,989	3.3%
Financial	1,132,000	3.7%	1,170,000	3.4%	1,200,000	2.6%	1,226,125	2.2%
Education - Out of district	5,803,200	4.0%	6,035,328	4.0%	6,276,741	4.0%	6,527,811	4.0%
Education - Vocational	904,800	4.0%	1,140,992	26.1%	1,186,632	4.0%	1,234,097	4.0%
Miscellaneous	3,508,805	2.3%	3,589,822	2.3%	3,949,602	10.0%	4,332,038	9.7%
Community Priorities	\$ 150,000		\$ 150,000		\$ 150,000		\$ 150,000	
TOTAL Accom. COSTS	\$ 43,476,999	3.7%	\$ 44,390,197	2.1%	\$ 44,587,709	0.4%	\$ 46,772,484	4.9%

Town of Reading		One Yr		One Yr		One Yr		One Yr	
Acc. Costs - Details		Projected	Chng	Projected	Chng	Projected	Chng	Projected	Chng
	FY24	FY24	FY24	FY25	FY25	FY26	FY26	FY27	FY27
Contributory Retirement	6,140,000	6.1%	6,649,620	8.3%	7,201,538	8.3%	7,799,266	8.3%	
OBRA fees & OPEB study	40,000	0.0%	40,000	0.0%	40,000	0.0%	40,000	0.0%	
OPEB contribution	500,000	0.0%	500,000	0.0%	500,000	0.0%	500,000	0.0%	
Workers Compensation	390,000	1.3%	400,000	2.6%	405,000	1.3%	410,000	1.2%	
Unemployment Benefits	75,000	0.0%	120,000	60.0%	120,000	0.0%	125,000	4.2%	
Group Health / Life Ins.	12,397,688	4.0%	13,017,572	5.0%	13,603,363	4.5%	14,188,308	4.3%	
Medicare / Social Security	1,005,000	0.5%	1,025,000	2.0%	1,035,000	1.0%	1,045,000	1.0%	
Police / Fire Indemnification	135,000	3.8%	140,000	3.7%	145,000	3.6%	145,000	0.0%	
Acc. Costs - Benefits	\$ 20,682,688	4.3%	\$ 21,892,192	5.8%	\$ 23,049,901	5.3%	\$ 24,252,574	5.2%	
Acc. Costs - Capital	\$ 2,938,000	-4.8%	\$ 3,030,000	3.1%	\$ 3,179,000	4.9%	\$ 3,221,000	1.3%	
Debt Service - Principal	5,220,000	6.1%	3,900,000	-25.3%	2,200,000	-43.6%	2,365,000	7.5%	
Debt Service - Interest	846,806	-20.1%	918,063	8.4%	758,275	-17.4%	739,850	-2.4%	
Excluded debt	(2,686,112)	-1.5%	(1,279,700)	-52.4%	-	-100.0%	-	#DIV/0!	
Total Included Debt	\$ 3,380,694	4.0%	\$ 3,538,363	4.7%	\$ 2,958,275	-16.4%	\$ 3,104,850	5.0%	
Premiums for general fund	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	
Acc. Costs -Debt	\$ 6,066,806	1.5%	\$ 4,818,063	-20.6%	\$ 2,958,275	-38.6%	\$ 3,104,850	5.0%	
Street Lighting (DPW)	135,000	3.8%	135,000	0.0%	140,000	3.7%	140,000	0.0%	
Electricity (FacCORE)	1,070,000	18.9%	1,095,000	2.3%	1,122,375	2.5%	1,161,658	3.5%	
Natl Gas (FacCORE)	676,000	4.0%	878,800	30.0%	909,558	3.5%	945,940	4.0%	
Water/Sewer (FacCORE)	219,700	9.9%	225,000	2.4%	230,625	2.5%	236,391	2.5%	
Fuel - vehicles (DPW)	190,000	15.2%	230,000	21.1%	235,000	2.2%	240,000	2.1%	
Acc. Costs - Energy	\$ 2,290,700	12.0%	\$ 2,563,800	11.9%	\$ 2,637,558	2.9%	\$ 2,723,989	3.3%	
Casualty Ins (AD SVC)	787,000	2.6%	820,000	4.2%	845,000	3.0%	866,125	2.5%	
Vet's Assistance (PUB SVC)	\$ 145,000	16.0%	\$ 150,000	3.4%	\$ 155,000	3.3%	\$ 160,000	3.2%	
FINCOM Reserve Fund	200,000	0.0%	200,000	0.0%	200,000	0.0%	200,000	0.0%	
Acc. Costs - Financial	\$ 1,132,000	3.7%	\$ 1,170,000	3.4%	\$ 1,200,000	2.6%	\$ 1,226,125	2.2%	
SPED transp OOD (Sch)	1,076,400	4.0%	1,119,456	4.0%	1,164,234	4.0%	1,210,804	4.0%	
SPED tuition OOD (Sch)	5,798,000	4.0%	6,029,920	4.0%	6,271,117	4.0%	6,521,961	4.0%	
SPED contingency	488,800	4.0%	508,352	4.0%	528,686	4.0%	549,834	4.0%	
SPED offsets OOD (Sch)	(1,560,000)	4.0%	(1,622,400)	4.0%	(1,687,296)	4.0%	(1,754,788)	4.0%	
Acc. Costs - OOD SPED	\$ 5,803,200	4.0%	\$ 6,035,328	4.0%	\$ 6,276,741	4.0%	\$ 6,527,811	4.0%	
Voc School - NERMVS	665,600	4.0%	892,224	34.0%	927,913	4.0%	965,029	4.0%	
Voc School - Minute Man	52,000	4.0%	54,080	4.0%	56,243	4.0%	58,493	4.0%	
Voc School - Essex North	187,200	4.0%	194,688	4.0%	202,476	4.0%	210,575	4.0%	
Acc. Costs - Vocational	\$ 904,800	4.0%	\$ 1,140,992	26.1%	\$ 1,186,632	4.0%	\$ 1,234,097	4.0%	
Rubbish (DPW)	2,034,250	3.0%	2,095,278	3.0%	2,409,569	15.0%	2,771,004	15.0%	
Snow and Ice Control (DPW)	675,000	0.0%	675,000	0.0%	700,000	3.7%	700,000	0.0%	
State Assessments	799,555	2.5%	819,544	2.5%	840,033	2.5%	861,034	2.5%	
Cemetery (DPW)									
Acc. Costs - Misc.	\$ 3,508,805	2.3%	\$ 3,589,822	2.3%	\$ 3,949,602	10.0%	\$ 4,332,038	9.7%	

Financial Forum I: School Finance Overview for FY25

September 20, 2023





Overview of FY25 Budget Development

Our approach to developing a responsive and responsible FY25 budget includes:

- Articulating **Budget Goals** that align with the Strategic Plan
- Defining **Budget Objectives** that are accountable and measurable
- Mapping a **Budget Development Process** that employs a multi-year vision
- Creating aligned **Budget Calendar**



FY25 Budget Goals

The FY25 Budget will:

- Reflect our commitment to building a sense of belonging for all students and staff and to delivering rigorous instructional practices districtwide.
- Add precision to staffing schedules, structures, ratios, and student groupings to optimize resources.
- Maximize all funding sources by focusing on strategies and programs that have proven to produce gains in student learning relative to their cost.
- Continue the pathway toward universal free Full Day Kindergarten and adequately plan for ESSER “cliff “ in FY25.
- Meet contractual obligations post successful negotiations with all five (5) of the Bargaining Units (Cafeteria, Custodians, Paraeducators, Teachers, Secretaries)



FY25 Budget - Multi-Year Vision

Scrutinize Data:

- Review FY23 end year status, assess FY24 projected expenses and fund balances
- Forecast student enrollment and class sizes and examine staffing schedules, structures, and ratios through FY27
- Project SPED accommodated costs through FY27
- Plan for expense trends, contractual obligations, and Federal/State mandates through FY27

Optimize Funding:

- Maximize all sources of funding - while managing expenses
 - Revenues: Grant writing, revolving funds, special revenues
 - Expenses: Review vendor contracts, heightening efficiencies

Engage Stakeholders:

- District Leadership Teams, Bargaining Units, School Councils, School Committee, Community, Town



FY25 Budget Calendar

September and October

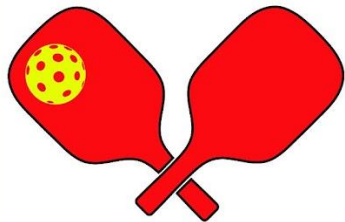
Meet with Finance Committee - Budget Process and Budget Guidelines
Review Budget Timeline, Process, and Discuss Priorities with Stakeholders
Forecast Enrollment and Class Sizes
Discuss Priorities and Resource Allocations with District Leadership Teams

November and December

Make Resource Allocation Decisions with District Leadership Teams
Present Preliminary Budget, Conduct Planning Sessions with School Committee

January

Budget Presentation and Publication
Overview at School Committee Meetings
Questions & Responses Following Cost Center Presentations
Public Hearing
Discussion with and vote by School Committee



READING PICKLEBALL PLAYERS ASSOCIATION

Founded this year as a 501(c)(3)
to advocate and raise funds for
permanent, lighted pickleball
courts in Reading



Pickleball Outreach

- **Pickleball Community Day**
 - Kickoff event in March
 - Nearly 200 people played in the field house across two, two hour sessions
- **Unity Day at RMHS**
 - High School students chose pickleball as one of their activities
 - 4 active courts of play
 - Played games facilitated by RPPA board members
- **Friends and Family Day**
 - Our booth attracted frequent visitors to try our game & ask about where to play



Pickleball Growth



- The number of people playing pickleball has grown by 159% over the past three years according to the Sports & Fitness Industry Association (2022)
- The sport is a significant recreation and social activity for older adults while also growing in popularity among younger populations
- Many Massachusetts towns have built dedicated pickleball courts over the past 5 years
 - Woburn, Wilmington, and Wakefield have added courts to meet demand



Pickleball in Reading

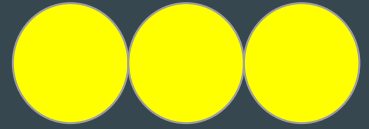
- Our goal is to help fund permanent, lighted, pickleball courts in Reading
- Reading has a dedicated community of regular pickleballers estimated to be over 400 players with many more casual players looking to learn the game
- Current court constraints limit residents from the health benefits of being active in their chosen sport



Finding Appropriate Court Space

- The Memorial Park courts are over capacity during peak morning and evening hours. All courts are booked within minutes of availability posting every day.
- Courts require enough distance from homes to mitigate noise and sufficient parking to not fill neighborhoods with cars.
- The Recreation Department and RPPA have not been able to identify any location for courts currently available to the town due to space and noise concerns.
- Planned courts for the Birch Meadow phase 2 plan were removed in June with no plan to re-site them.
- The change to the Birch Meadow Phase 2 plan removes the 4 basic courts currently there creating a further court shortage.

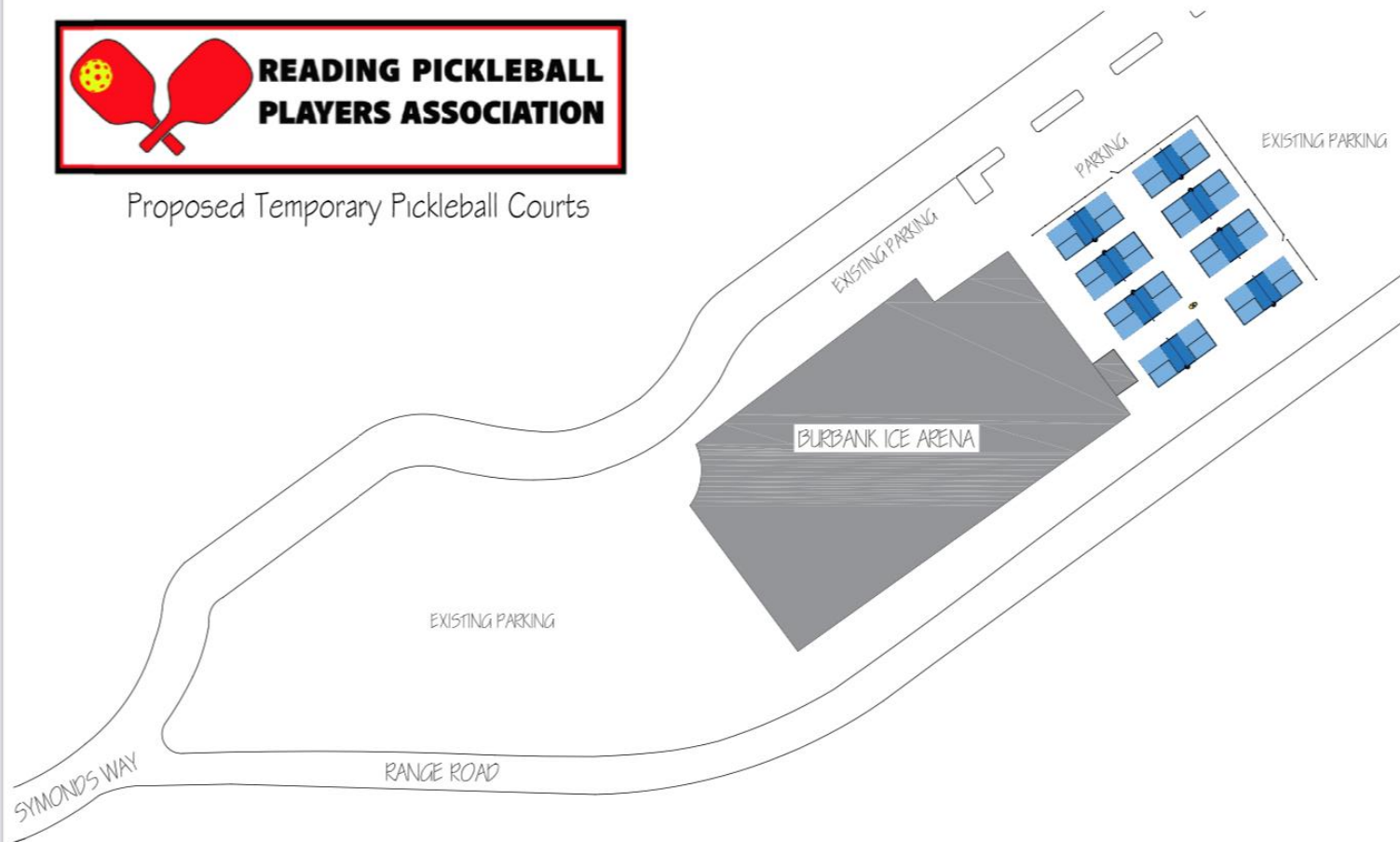
Symonds Way Opportunity



- Only identified location for courts due to available space and distance from homes
- Burbank Ice Arena Authority made a preliminary offer for use a portion of their parking area for pickleball courts. RPPA was to assess feasibility and follow up with the town.
- Courts would need an athletic asphalt base with painted lines and barrier fencing to parking areas to create a safe playing area.
- There is minimal site work or changes to the property needed to create a temporary solution that does not disrupt long term plans for the property.



Proposed Temporary Pickleball Courts





Proposed Temporary Pickleball Courts

1. Athletic grade asphalt with acrylic top coat.
Necessary for proper play and safety.
2. Chain Link fence - to keep cars off, balls in.
3. 4' Removable fabric barriers shall be.
Provided by RPPA
4. Removable Portable Nets shall be.
Provided by RPPA
5. Existing Lighting to Remain.

Our Request

To meet the pressing demand for pickleball courts in Reading and mitigate the planned loss of existing and proposed courts at Birch Meadow, we request the Select Board pursue using part of the Burbank Ice Arena Authority parking lot for pickleball courts in 2024 while a future plan for the Symonds Way property is developed.





Draft Warrant Article

Article To see if the Town will vote to raise and appropriate, borrow, transfer from available funds or otherwise provide a sum or sums of money not to exceed \$200,000 to pay to build eight (8) temporary, outdoor pickleball courts on the land adjacent to the Burbank Ice Arena off Symonds way.

Background The temporary courts would be on land leased to the Burbank Ice Arena Authority through a long term lease and will provide a much needed recreation facility to relieve the resource constraint with proposed courts removed from the Birch Meadow plan and asphalt courts that will be removed at Birch Meadow. We request that Town Meeting approve that \$200,000 be funded from the Burbank Ice Arena revolving fund.

Cost Estimate for 8 Temporary Pickleball Courts at Burbank Ice Arena

Site Prep and Paving	Provided by EJ's Paving	\$69,500
Acrylic Top Coat and Striping	Provided by NE Sealcoating	\$48,000
Fencing	Provided by Reliable Fence	\$14,720
Drainage Contingency		\$20,000
Project Contingency		\$20,000
Project Total		\$172,220



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

Finance Committee

Date: 2023-08-23

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, Vice Chair Joe Carnahan, Geoffrey Coram, Joe McDonagh, Marianne McLaughlin-Downing, John Sullivan (remote), Mark Zarrow

Members - Not Present:

Endri Kume, Emily Sisson

Others Present:

Town Manager Fidel Maltez, School Director of Finance Derek Pinto

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 7:01 pm.

Liaison Reports:

John Sullivan shared updates from last week's CPDC meeting including: the withdrawal of a 40R application for lower Haven Street, the withdrawal of an animal kennel application at 1312 Franklin Street, an approved modification to the stormwater permit plan for a subdivision on Grandview Road, a request for a three-lot subdivision off Beacon Street, and a preview of the MBTA Communities survey results.

Joe Carnahan reported on the events from last night's Select Board meeting. The Reading Food Pantry requested additional ARPA funds, as the increased demand for food and gift cards exhausted the ARPA funds they received quicker than they expected. All the ARPA funds have been allocated, though there was a question of whether funds would be left over in the COVID allocated line, and the Board discussed other ways the Town could help the Food Pantry with publicity. There was a dog park discussion that alluded to a time sensitive grant associated with it. The Board discussed the replacement of the Director of Equity and Social Justice and the change in reporting structure from the Library to the Town Manager. The Finance Committee can expect to see a request at Town Meeting to move the salary for the position from the Library budget to the Town Manager budget.

Marianne Downing also shared updates from CPDC. Dollar Tree is planning to move into the former Walgreens. Community Development Director Andrew MacNichol said at the meeting that the Town is temporarily under the 40B 10% threshold for affordable housing because Eaton Lakeview has not put in building permits yet, but once they do it will be reported to the state. The Dowd Pediatrics building is for sale, and while it's not in the 40R

district, it is within the MBTA Communities radius, and a developer could do something there if the Town is under 40B.

Emily Sisson was unable to attend tonight's meeting, but Ed Ross shared her reports on her behalf. The Symonds Way Exploratory Committee is issuing a Request for Information (RFI) to see what private entities might be interested in developing the area. Community Services Director Jenna Fiorente will be requesting a part-time assistant for the Veterans Services Officer in next fiscal year's budget.

Ed Ross provided an update on the Killam School Building Committee. The Committee is currently working with Colliers, the Owner's Project Manager (OPM), to put together the Request for Design Services. Interviews with designers will be conducted with the MSBA in early November, and the district will be able to negotiate a contract with the chosen designer by the end of November. A meeting was held with Colliers to start the discussion on what the district wants in a new Killam school. As things develop, the Committee will start to conduct more community outreach and education on the progress, needs, and wants of the project. A discussion of the Killam building timeline will be added to the agenda of the Financial Forum, including when it will go to the voters and other major milestones.

Finalize Liaison Assignments:

Joe Carnahan noted that Public Works was assigned to another member and should be removed from his list. Corrections were made and the Committee agreed with the final list of assignments.

Introduction to School Director of Finance and Operations, Dr. Derek Pinto:

Dr. Derek Pinto, the new Director of Finance and Operations for the School Department, introduced himself to the Finance Committee. He shared his prior experience at Lasell University, and in K-12 as a teacher, principal, and CEO of a school district in California. He is acutely aware of the issues with K-12, as his wife is a high school teacher, and he has three school-aged children. He stated that he looks forward to developing relationships and continuing with the district's mission.

FY23 Free Cash Estimate Discussion:

Town Manager Fidel Maltez shared the current Free Cash estimate of \$18.46 million. Free cash at the start of the year was \$19.93 million. Revenue overbudget is estimated at \$3.81 million, expenses under budget are estimated at \$1.65 million, and \$6.37 million was used including: \$3.28 million to support the FY23 Budget, \$2.2 million for the Killam School, \$275,000 for FY23 budget adjustments at November Town Meeting, \$414,000 transfer to the Smart Growth Stabilization Fund, and \$338,000 for amendments to the FY23 budget at April Town Meeting. The current projected total of reserves is \$20.46 million, or 17.2% of the budget, and includes the estimated \$18.46 million of Free Cash, \$1.8 million in the General Stabilization Funds, and \$200,000 in FINCOM Reserves.

Trash and Recycle Barrel Discussion:

Mr. Maltez stated that Article 7 at November Town Meeting will request funding for \$900,000 from Free Cash to provide each home with one 64-gallon trash barrel and one 64-gallon recycling barrel, to be rolled out in Summer 2024. Homes can lease an additional trash barrel for \$200 per year, and can receive an additional recycling barrel at no cost. Residents will also be able to purchase 33-gallon overflow trash bags at retailers such as Market Basket and Stop & Shop for \$10 for a roll of five bags. Smaller barrels will also be available for those who want them.

During the fall, when Republic took over JRM, and trash collection was compromised, Mr. Maltez stated that he spoke with six other companies, all of which require automated collection, and do not provide a manual collection option. Four of those companies also provided estimates, all of which were a significant increase over the Town's current contract.

The second part of the article proposes creating a solid waste revolving fund. The cost of the additional barrel leases, and sale of overflow bags, will be put into that fund to offset the excess costs of transportation and disposal.

Update on Grove Street Lot 5:

Mr. Maltez stated that the Town received five bids for Lot 5, and K & R Construction was the lowest bidder at \$169,250. There will be an article at November Town Meeting to fund the construction, instead of using FINCOM Reserves.

Preview of November Town Meeting:

Mr. Maltez brought a new issue to the Committee's attention. In FY22, Town Meeting funded a ladder truck for \$1.4 million, which was ordered in March 2022. This past Monday, the manufacturer of the truck sent a letter stating that they were passing along a material cost increase of \$125,000 to the Town. The Town's current truck is from 2008 and was slated for replacement in 2022. If the Town was to cancel this contract, it would have to go back out to bid. Other communities received a similar letter. Mr. Maltez stated that Fire Chief Burns reached out to other manufacturers, who indicated that they are experiencing the same unforeseen cost increases of materials. Legal is reviewing the contract right now to determine what options the Town may have. A request for additional funding is expected to be added to the warrant. There are other things the Town could get if it negotiates with the manufacturer, including guaranteed delivery dates, parts vouchers, additional years of warranty, and when to make the payment, as other communities received such considerations through negotiations.

Financial matters on the November Town Meeting warrant include: changes to the Capital Improvement Plan, payment of prior years bills (none at this time), Birch Meadow Phase 2 in FY25, trash and recycle barrels, ladder truck, and Grove Street Lot 5. There are also two non-financial related articles including a snow removal bylaw for the 40R district, and acceptance of a local option bonus for any certified municipal Town Clerk up to \$1,000.

Financial Forum Planning/Future Agendas:

The Committee discussed whether to hold one forum or two, and agreed that only one would be needed, which is scheduled for September 20th. Similar to last year, the Financial Forum will include a Financial Forecast, review of the Capital Plan, FY25 budget overview, FY25 budget guidance, discussion on Free Cash, School financial review, and discussion on the Killam School.

Joe Carnahan suggested additional items for the forum agenda, including discussing whether to change the reserve policy from 7% to 10%, and reviewing reserve funds outside of the general reserve fund and their uses. Mr. Ross agreed that a review of those funds criteria and balances could be included in the Chief Financial Officer's budget overview. He also requested that the Committee receive an update on Capital Plan projects, such as project successes, and projects that are on-budget and on-time.

Approve Meeting Minutes:

On a motion by Mark Zarrow, seconded by Joe McDonagh, the Finance Committee voted 7-0-0 to approve the meeting minutes of July 26, 2023.

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

On a motion by Joe Carnahan, seconded by Mark Zarrow, the Finance Committee voted 7-0-0 to adjourn at 8:55 pm.

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