



## Town of Reading Meeting Minutes

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### Board - Committee - Commission - Council:

#### Finance Committee

Date: 2023-03-01

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:**

Vice Chair Jeanne Borawski, Joe Carnahan, Geoffrey Coram, Marianne Downing, Joe McDonagh, Emily Sisson, Mark Zarrow

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

Chair Ed Ross

#### **Others Present:**

Town Accountant Sharon Angstrom, Town Manager Fidel Maltez, School Superintendent Thomas Milaschewski, School Finance Director Susan Bottan, School Committee Chair Shawn Brandt, School Committee Member Tom Wise, Karen Gately Herrick (remote)

**Minutes Respectfully Submitted By:** Jacquelyn LaVerde

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

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

Acting Chair Jeanne Borawski called the meeting to order at 7:01 pm.

#### **Liaison Reports:**

There were no liaison reports.

#### **Discussion on Projected Use of Free Cash:**

Town Accountant Sharon Angstrom reviewed the late adjustment made to the FY24 proposed budget. Funds were reallocated from gas usage to fund Full Day Kindergarten, as the known gas increase will not be in effect until the last two months of the fiscal year. Ms. Angstrom led a discussion on the projected use of free cash and revenue regeneration. The free cash usage for FY24 is 4%, but currently projected for 2.75% in FY25, then 2.8% in FY26. The reserve policy is 7% of the operating budget, but members of the Committee agreed that it should be 10%.

#### **Budget Presentation: FY24 School Committee Recommended Budget:**

Director of Finance Susan Bottan, Superintendent Thomas Milaschewski, School Committee Chair Shawn Brandt, and School Committee Member Thomas Wise were present to review and discuss the proposed FY24 School Department budget, including financial summary, budget development process and timeline, investment priorities, and strategic investments and objectives.

Back in October, the Finance Committee provided a guideline of a 3.75% increase over FY23. But the Town Manager and staff identified savings in utilities, accommodated costs,

and community priorities to absorb some of the cost of Full-Day Kindergarten, which resulted in the Finance Committee revising their budget guidelines to 4.29% for FY24.

The total FY24 School Department proposed budget is \$54,006,623. Considerations in developing the budget include aligning investment priorities with strategic objectives; meeting all personnel, non-personnel, contractual obligations, and legal mandates; and rearranging funds to support priorities and maximize resources.

Ms. Bottan reviewed the proposed budget broken down by cost center: Administration \$1,311,157; Regular Day \$31,954,246; Special Education \$16,716,166; Districtwide Services (Athletics, Extracurricular, Health Services, Technology) \$2,380,272; and School Facilities \$1,644,782.

Dr. Milaschewski noted future opportunities in the budget including full day kindergarten, elementary school building project, and innovative High School pathways, such as computer science, digital media, and engineering. The goal is to ensure sustainability by creating a strategic multi-year financial plan, anticipating expenses, leveraging other sources of funding, ensuring the personnel budget is most effectively allocated entering into contract negotiations next year, and investing in staff development that ultimately results in future savings.

Financials are assessed during the school year to determine savings as early as possible which are deployed to shift student outcomes in the short term.

**Future Meeting Agendas:**

The next meetings are scheduled for March 8<sup>th</sup>, March 15<sup>th</sup>, and March 22<sup>nd</sup>, if needed. Town Departments will make their presentations on the 8<sup>th</sup> and 15<sup>th</sup>. If there is time on the 15<sup>th</sup>, the Committee will vote on the FY24 Budget and Annual Town Meeting Warrant Articles.

**Meeting Minutes:**

**On a motion by Mark Zarrow, and seconded by Emily Sisson, the Finance Committee voted 7-0-0 to approve the meeting minutes of January 18, 2023, as presented.**

**On a motion by Mark Zarrow, and seconded by Emily Sisson, the Finance Committee voted 7-0-0 to adjourn at 9:07 pm.**