



Town of Reading Meeting Minutes

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Board - Committee - Commission - Council:

Finance Committee

Date: 2023-03-08

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

Members - Not Present:

Others Present:

Town Manager Fidel Maltez, Town Accountant Sharon Angstrom, DPW Director Jane Kinsella (remote), Assistant DPW Director Chris Cole (remote), Facilities Director Joe Huggins (remote), Administrative & Public Services Director Matt Kraunelis (remote), Library Director Amy Lannon, Technology Director Kevin Furilla (remote), Assistant Facilities Director Kevin Cabuzzi (remote), Town Clerk Laura Gemme (remote), Human Resources Director Sean Donahue (remote), Business Administrator Jayne Wellman (remote), Community Services Director Jenna Fiorente (remote), Community Development Director Andrew MacNichol (remote), Jackie McCarthy (remote 7:54 pm)

Minutes Respectfully Submitted By: Jacquelyn LaVerde

Topics of Discussion:

Vice Chair Jeanne Borawski called the meeting to order at 7:01 pm, as Chair Ed Ross was joining the meeting remotely.

Liaison Reports:

Geoffrey Coram shared that the School Committee voted to consider new SPED Counsel, which was motivated by price increases.

Marianne Downing and Ed Ross shared updates from the School Committee and Select Board. Ms. Downing stated that in response to a question raised at the last FINCOM meeting, the School Committee sent an email explaining that the Assistant Principal line item was a mix of elementary assistant principals and the Director of Academic Achievement at the high school. Mr. Ross noted that the Select Board had a discussion on new Town Counsel, which will be considered at their next meeting, as they want to ensure they are getting the right value with current counsel. The Birch Meadow project has almost doubled in cost, and the ARPA money will not be enough. Increased project costs raise concerns about the upcoming Killam and Senior Center projects.

Ed Ross reviewed the information Town Accountant Sharon Angstrom presented at the previous meeting on municipal self-assessment from DLS. He stated that the charts, graphs, and historic data were impressive and will share the link with the Committee. The

Select Board discussions on water rates and Town Counsel may have cost implications, and will be something the Finance Committee will want to be aware of going forward.

FY24 Town Budget Presentations:

Town Accountant Revenue, Financial Forecast, Spending Scorecard, Shared Costs:

Town Accountant Sharon Angstrom reviewed the Financial Forecast, which includes accommodated costs and projected revenues. Property tax revenues are projected to increase 3.5%, other local revenues are projected to increase 12.6% and are starting to return to pre-pandemic levels. Intergovernmental revenues through state aid are projected to increase 2.5% and any shortfall will be covered by Free Cash, though there is usually no need to use Free Cash to cover shortfalls in state aid. Transfers and other available revenues are up 3.1%.

Accommodated costs increase 3.8%, capital decreases 4%, energy costs increase 12.6% (and will see a sharp increase in FY25 due to the rise in gas costs), financial accommodated costs increase 3.7%, out-of-district special education increases 4%, Vocational school increases 4%, rubbish increases 3%, snow and ice remain level funded, and state assessments increase 2.5%.

Administrative Services:

Assistant Town Manager Matt Kraunelis presented the budget for the Administrative Services Department. Mr. Kraunelis explained that Technology will become its own department. The remaining divisions of Administrative Services are Operations, Human Resources, Town Manager's Office, Town Clerk, and Elections. The overall Administrative Services budget increases 1.3%, which is a smaller increase due to fewer elections in FY24, the removal of the pay and class study which was funded at November Town Meeting, no new proposed positions, and the separation of the Technology budget.

Technology:

Technology Director Kevin Furilla highlighted some increases including the 20% increase in permits and licensing software to facilitate inspectors in the field. Other proposed increases are based on past trends. The need for overtime is increased this year due to an ongoing project, and is expected to decrease in the following year.

Public Services:

Assistant Town Manager Matt Kraunelis stated that he recently took over the Public Services Department following Jean Delios's retirement. The overall budget is down 1.5%, largely driven by the Assistant Town Manager salary now being split between two departments. There are some increases in Community Services for programming and staff hours at the Senior Center, and Veterans Services. Community Development has a slight increase in salaries, but expenses are unchanged.

Finance:

Town Accountant Sharon Angstrom reviewed the Finance Department Budget. The Finance budget is increasing 4.6%, mostly in wages. All Finance staff is non-union and was included in the pay and class study. Expenses increased 2.2% for professional development and office supplies.

Library:

Library Director Amy Lannon reviewed the budget for the library. There was \$10,000 added to expenses. The overall increase is 4.2%, primarily driven by salary increases from the pay and class study.

Facilities:

Facilities Director Joe Huggins presented the budget for Core Facilities and Town Facilities (School Buildings are voted under the School Committee budget). The whole Facilities budget is increased 9.4%. Wages increased 3.2%. There is an increase for overtime due to increased wages for union staff, and events that are handled by core facilities staff that are not billable through school rentals. Expenses increase 12% overall, which includes a 12.3%

increase to the energy budget, 20% increase for elevators due to state mandates and inspection requirements, \$50,000 increase for alarm expenses due to the new security systems that have been added over the past couple of years, and 40% increase in pest management due to a spike in activity over time.

The energy increase is due to an RMLD rate increase, and a 4% increase for natural gas that covers two months of the year, as that is when the new gas contract rates take effect. The following year will see a 33% increase for the year for natural gas under new contract.

DPW:

DPW Director Jane Kinsella noted that there is no change in FTEs in the general department or the Enterprise Funds. The department budget increased 3.3%. Expenses increased 4.8%, which includes administrative supplies, highway equipment, parks and cemetery for grave restorations, and forestry for removal of hazardous ash trees.

Enterprise Funds:

The Water Enterprise Fund increased 3.5%. Salaries are up 3.1%, all contractual, with no change in staffing. Significant increases in expenses include a 25% increase in police details, and 2.8% increase in water parts and maintenance due to increased costs for copper tubing and other materials.

The Sewer Enterprise Fund overall decreased 1.5%. The only changes in wages are contractual. There is a slight increase in expenses due to increased costs to dispose of hazardous waste.

There is no change to the Storm Water Enterprise Fund. Salaries decreased slightly, as people left, and new employees were hired at a lower rate. There is no increase to expenses.

Future Agendas:

At the next meeting, the Finance Committee will hear budget presentations for the remaining Town departments, vote on the budget and Town Meeting Warrant Articles, and discuss the FINCOM report to Town Meeting.

On a motion by Mark Zarrow, seconded by Emily Sisson, the Finance Committee voted 8-0-0 to approve the meeting minutes of March 1, 2023.

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

On a motion by Mark Zarrow, seconded by Emily Sisson, the Finance Committee voted 8-0-0 to adjourn at 9:23 pm.

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