



Town of Reading Meeting Minutes

2016-09-22 LAG

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

Session: Open Session

Purpose: Financial Forum

Version: Final

Attendees: **Members - Present:**

Chair Ed Ross, Vice Chair Joe Carnahan, Geoffrey Coram, Endri Kume, Joe McDonagh (7:06 pm), Marianne McLaughlin-Downing, Emily Sisson, John Sullivan, Mark Zarrow

Members - Not Present:

Others Present:

Chief Financial Officer Sharon Angstrom, Town Manager Fidel Maltez, DPW Director Jane Kinsella (remote), Assistant DPW Director Chris Cole (remote), Facilities Director Joe Huggins (remote), Assistant Facilities Director Kevin Cabuzzi (remote), School Superintendent Tom Milaschewski, School Finance Director Derek Pinto;
Select Board Members: Mark Dockser, Chris Haley, Karen Gately Herrick (remote), Carlo Bacci (remote 7:27 pm);
Carla Nazzaro, Tom Wise, Mike Carroll (remote), Suzanna Yeung (remote);
Rebecca Bailey (remote), Christopher p lane (remote), Ben Ream (remote), Bob Rio (remote), Eileen Manning, Angela Binda, Karen Janowski, Maryann Devlin

Minutes Respectfully Submitted By: Jacquelyn LaVerde

Topics of Discussion:

This meeting was held in-person in the Library Community Room, and remotely via Zoom.

Chair Ed Ross called the meeting to order at 7:02 pm.

Select Board Vice Chair Mark Dockser called the Select Board to order at 7:05 pm.

Killam School Presentation:

Killam School Building Committee Chair Carla Nazzaro briefly summarized the work of the KSBC to date. Colliers was selected as the Owner's Project Manager (OPM), and the Committee is targeting a more aggressive schedule proposed by the MSBA. The Request for Proposals (RFP) for Designer Services went out last week, and applications are due October 11th. The Design Selection Committee, which consists of three members from the district: School Superintendent Tom Milaschewski, Town Manager Fidel Maltez, and KSBC Chair Carla Nazzaro, and members of the Massachusetts School Building Authority (MSBA) will interview and vote on a selected designer. Once the designer is on board, community involvement will begin.

Mike Carroll, Project Director with Colliers, provided a general overview of the MSBA process. He presented the key personnel from Colliers who will be supporting the Town through the process, the MSBA modules, and the proposed schedule. Colliers will support the Town through the designer selection process and conduct reference checks on applicants prior to review with the MSBA. The Town representatives, along with the MSBA selection committee, will short-list three or four applicants, conduct interviews, and choose a designer. A contract with the chosen designer should be signed by the end of November. Once the designer is on board, the feasibility study and schematic design will begin.

Financial Updates:

Revenue Update

Chief Financial Officer Sharon Angstrom began with the projected FY25 revenues. Property taxes are projected to increase 1.9%, which looks low due to the 52.4% decrease in excluded debt, as the High School and Wood End School will be paid off. Baseline levy increases 3.7%. There is no increase to new growth. Abatements and exceptions increase 2.5%. Other projections include other local revenues to increase 11.2%, state aid to increase 2.5%, and other sources to increase 1.8%, which include indirect costs charged to enterprise funds and RMLD earnings distribution. Free Cash is to be determined.

Free Cash Update

Fiscal Year 23 free cash is not yet certified, but is estimated to come in around \$19.32 million. In FY23, there was regeneration of \$4.59 million in revenues over budget, and \$1.72 million in expenses under budget. There was \$6.57 million of free cash used including \$3.28 million to support the FY23 operating budget, \$2.2 million for the Killam feasibility study, \$300,000 for modifying the FY23 budget at November Town Meeting, and \$414,000 that was moved back into the Smart Growth Stabilization Fund.

FY25 Accommodated Costs

Compared to FY24, FY25 accommodated costs increase overall 2.1%, which includes: 5.8% increase in benefits, 12.8% decrease in capital and debt, 11.9% increase in energy costs, 3.4% increase in financial, 4% increase in education and out-of-district special education, 26.1% increase in Vocational education due to a capital add of approximately \$200,000, and 2.3% in miscellaneous and community priorities which includes \$150,000 for full-day kindergarten.

FY25 Operating Budgets under Free Cash Scenarios/Discussion on Free Cash Usage in FY25 Budgets

Ms. Angstrom presented figures comparing Free Cash usage to achieve certain levels of an operating budget. FY25 was agreed to be the last year to include an extra \$700,000 of Free Cash for capital.

The Committee discussed the Free Cash scenarios presented, and Ms. Angstrom explained the process of building the budget. Total free cash usage to support the operating budget last year was 4%. Mr. Ross stated that he would be inclined to support using \$3.89 million to \$4.08 million to support the FY24 budget. Mr. Kume expressed agreement with using \$3.89 million. Mr. Coram noted that free cash is in good shape, and the Committee might consider using the higher range of \$4.08 million, due to higher inflationary pressure. Mr. Carnahan noted that using \$4.08 million would still leave the reserves above the 7% reserve policy.

The Committee will vote on their recommendation on Free Cash use to support the FY24 budget at their next meeting.

FY25 School Finance Overview:

School Superintendent Tom Milaschewski introduced the new School Director of Finance, Dr. Derek Pinto. Dr. Pinto provided a preview of the School's FY25 budget development process and highlighted budget goals, including creating a sense of belonging for students, delivering rigorous instruction, and maximizing resources. The big priority is meeting contractual obligations with the five bargaining units, as current contracts expire at the end

of FY24. Meetings with the bargaining units are already underway. He outlined the Multi-Year Vision of the budget process that includes a review of the FY23 end of year status, looking at the current projected expenses and fund balanced to ensure that they are on track, maximizing funding sources while managing expenses, and engaging stakeholders. The department is early in the budget process now and will present it to the School Committee in January.

Presentation by Pickleball Players Association on Potential Citizens Petition for Burbank Ice Arena:

Eileen Manning, board member of the Reading Pickleball Players Association (RPPA), reviewed the mission and work of the RPPA, the growth of the sport, and current constraints and availability of pickleball courts in Reading. There are currently four dual lined courts, for tennis and pickleball, at Memorial Park. There were courts at Birch Meadow that were removed in June, and plans to add pickleball courts to Birch Meadow phase two were eliminated. There are no current plans to replace the courts anywhere in Town, nor are any courts included in the capital plan. The only identified location for courts, due to available space and distance from homes is on Symonds Way, adjacent to the Burbank Ice Arena. The Ice Arena Authority made a preliminary offer to use a part of their parking lot for Pickleball courts. There is a Citizens Petition going before November Town Meeting that requests \$200,000 to build temporary Pickleball courts in the parking lot behind the Ice Arena on Symonds Way.

The Symonds Way Exploratory Committee (SWEC) has issued a Request for Information (RFI) for potential development of the entire Symonds Way area that is owned by the Town. There was a lengthy discussion on the Pickleball proposal. Several individuals, including members of the Finance Committee, Select Board, and SWEC expressed hesitation to support the proposed warrant article until SWEC has received and reviewed responses to the RFI, and completed its work by delivering its recommendation to the Select Board before the end of the year, as charged. Others voiced their support given the overwhelming demand in the community.

On a motion by Mark Dockser, seconded by Chris Haley, the Select Board voted 4-0-0 to adjourn at 9:50 pm.

Roll call vote: Carlo Bacci – Yes, Karen Gately Herrick – Yes, Chris Haley – Yes, Mark Dockser – Yes.

Future Meeting Agendas:

At the next meeting on October 11th, the Finance Committee will discuss recommendations and guidance for the FY25 budget and vote on the 2024 Subsequent Town Meeting Warrant Articles.

There will be a second Financial Forum on October 25th, which will include an Economic Development Summit with the Economic Development Director and Senator Jason Lewis, and the Community Development Director will provide an update on MBTA Communities. The Committee will also discuss the Community Preservation Act (CPA).

Approve Prior Meeting Minutes:

On a motion by Emily Sisson, seconded by Joe Carnahan, the Finance Committee voted 7-0-2 to approve the meeting minutes of August 23, 2023, as presented, with Endri Kume and Mark Zarrow abstaining, as they were not present at that meeting.

On a motion by Emily Sisson, seconded by Joe Carnahan, the Finance Committee voted 9-0-0 to adjourn at 10:00 pm.