



## Town of Reading Meeting Minutes

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### Board - Committee - Commission - Council:

#### Finance Committee

Date: 2022-03-15

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, Geoffrey Coram, Marianne Downing, Joe McDonagh, Jackie McCarthy, Mark Zarrow

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

Vice Chair Jeanne Borawski, Eric Burkhardt, Andrew Mclauchlan

#### **Others Present:**

RMLD General Manager Coleen O'Brien, RMLD Director of Business and Finance Wendy Markiewicz, Town Manager Fidel Maltez, Town Accountant Sharon Angstrom (remote), Facilities Director Joe Huggins (remote), Assistant Facilities Director Kevin Cabuzzi (remote), Administrative Services Director Matt Kraunelis (remote), Assistant Town Manager Jean Delios (remote), DPW Director Jane Kinsella (remote), Public Health Director Ade Solarin (remote)  
Select Board Members: Chair Karen Gately Herrick, Carlo Bacci (remote), Mark Dockser (remote), Chris Haley (remote)

**Minutes Respectfully Submitted By:** Jacquelyn LaVerde

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

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

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

Select Board Chair Karen Gately Herrick called the Select Board to order at 7:00 pm.

#### **Liaison Reports:**

Marianne Downing noted that if the Finance Committee completes their work this evening, the Reading ARPA Advisory Committee (RAAC) can meet next week in the time slot currently reserved for FINCOM.

#### **RMLD Update:**

Wendy Markiewicz, Director of Business and Finance for RMLD, was present with Coleen O'Brien, General Manager for RMLD, to explain the payments to the Town of Reading. The above the line payment, or payment in lieu of taxes (PILOT), as determined by the 20-year agreement is 2% of net plant allocated by kilowatt hours (kWh) sales for each member town: Reading, North Reading, Lynnfield, and Wilmington. Payments are made two times per year on June 30<sup>th</sup> and December 31<sup>st</sup>. This is a legislative, non-voluntary payment. The amounts are based on the previous year's kWh sales.

Ms. Markiewicz reviewed the history of the below the line, or Return on Investment payment, only to the Town of Reading. The Board of Commissioners voted in 2020 to recalculate the formula that is more indicative of the health and financials of RMLD. Beginning June 30, 2022, the below the line payment will be calculated by the three-year audited average of kWh sales by 3.875 mills per kWh sold. This payment is voluntary. kWh sales are projected based on audited financials, and pending non-catastrophic events, weather related events, and electrification contributions.

Ms. Markiewicz and Ms. O'Brien answered several questions posed by Finance Committee members and provided further information on how RMLD makes their projections based on electrification.

**Vote on Annual Town Meeting Warrant Articles:**

Town Manager Fidel Maltez and Town Accountant Sharon Angstrom reviewed the Town Meeting Warrant Articles.

Article 1 – Election.

Article 2 – Reports.

Select Board State of the Town, Permanent Building Committee, State of the Schools, and reports from the Reading Center for Active Living Committee, and Parking Advisory and Recommendations Committee will be written or pre-recorded.

Article 3 – Instructional Motions.

Article 4 – Amendments to the FY2022-FY2032 Capital Plan.

**On a motion by Marianne Downing, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Article 4 to Town Meeting.**

Finance Committee report to Town Meeting assigned to Joe McDonagh.

Article 5 – Amendments to the current FY22 operating budget.

Changes include: a \$600,000 projected savings in Health Insurance premiums, and reallocating \$250,000 from those savings to fund Other Post-Employment Benefits (OPEB). A line will need to be added to replenish the Finance Committee Reserves used to purchase COVID test kits following the allocation of ARPA funds for the test kits and other COVID mitigation.

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 5 to Town Meeting.**

Finance Committee report assigned to Geoffrey Coram.

Article 6 – Prior Years Bills.

There are currently no bills from prior years. Article is expected to be tabled. Ms. Angstrom stated that if any bills are discovered prior to Town Meeting, the Finance Committee can meet again to discuss and vote.

Article 7 – Other Post-Employment Benefits (OPEB)

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 7 to Town Meeting.**

Finance Committee report assigned to Marianne Downing.

Article 8 – Smart Growth Stabilization Fund.

The Town is not receiving any funds for the Smart Growth District. Article is expected to be tabled.

Article 9 –Revolving Funds.

More properties have been added to the Inspections Revolving Fund. There are no changes to the expenditure limits.

**On a motion by Geoffrey Coram, and seconded by Jackie McCarthy, the Finance Committee voted 6-0-0 to recommend the substance of Article 9 to Town Meeting.**

Finance Committee report assigned to Ed Ross.

Article 10 – Affordable Housing Trust Fund.

There are no changes and no recommended spending of this fund.

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 10 to Town Meeting.**

Finance Committee report assigned to Mark Zarrow.

Article 11 – Add Revolving Fund for Community Garden.

The new fund is a way to receive fees for Community Garden plots, which will be used by the Conservation Commission to expend on water and other garden expenses.

**On a motion by Geoffrey Coram, and seconded by Marianne Downing, the Finance Committee voted 6-0-0 to recommend the substance of Article 11 to Town Meeting.**

Finance Committee report assigned to Jackie McCarthy.

Articles 12, 13, and 14 for drainage easements, and Article 15 Zoning Bylaw amendments are not financially related, and do not require Finance Committee votes.

Article 16 – RMLD Land Purchase.

Reading Municipal Light Department wants to buy property in Wilmington. Though KP Law stated that Town Meeting approval is not required, RMLD is presenting to Town Meeting as a courtesy. The purchase will be paid by RMLD's own reserves and will not impact electric rates.

**On a motion by Geoffrey Coram, and seconded by Mark Zarrow, the Finance Committee voted 6-0-0 to recommend the substance of Article 16 to Town Meeting.**

Finance Committee report will be assigned to either Jeanne Borawski, Eric Burkhart, or Andrew Mclauchlan.

Article 17 – Acceptance of Chapter 90 Funds.

Amount of projected Chapter 90 funds for FY23 is \$599,388.

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend the substance of Article 17 to Town Meeting.**

Finance Committee report assigned to Ed Ross.

Article 18 – FY23 Budget.

**On a motion by Geoffrey Coram, and seconded by Marianne Downing, the Finance Committee voted 6-0-0 to recommend Budget Line Item B99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item C99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item D99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item E99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item F99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item G91 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item G92 as written.**





**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item Z99 as written.**

**On a motion by Geoffrey Coram, and seconded by Joe McDonagh, the Finance Committee voted 6-0-0 to recommend Budget Line Item ZZ9 as written.**  
Finance Committee report assigned to Ed Ross.

Article 19 – Removal of Absent Town Meeting Members.  
This Article is expected to be tabled.

**On a motion by Chris Haley, and seconded by Carlo Bacci, the Select Board voted 3-0 to adjourn at 9:11 pm, as Mark Dockser had already left the meeting.**  
**Roll call vote: Chris Haley-Yes, Carlo Bacci-Yes, Karen Gately Herrick-Yes.**

**Approve Meeting Minutes:**

**On a motion by Marianne Downing, and seconded by Geoffrey Coram, the Finance Committee voted 6-0-0 to approve the meeting minutes of March 9, 2022.**

**Future Meeting Dates & Agendas:**

Mr. Ross noted that as of now, there are no meetings scheduled between now and the start of Town Meeting, but if something comes up, a meeting could be added the week prior or the hour before the start of Town Meeting.

The Finance Committee will be posted to attend the RAAC meeting on March 23<sup>rd</sup>.

Mr. Zarrow suggested continuing the discussion on Free Cash.

Mr. Ross added that there may be more topics that come up from the ARPA discussions.

**On a motion by Mark Zarrow, and seconded by Geoffrey Coram, the Finance Committee voted 6-0-0 to adjourn at 9:19 pm.**