



Town of Reading Meeting Posting with Agenda

Board - Committee - Commission - Council:

Finance Committee

Date: 2022-09-21

Time: 7:00 PM

Building: School - Memorial High

Location: School Library

Address: 62 Oakland Road

Agenda: Revised

Purpose: Financial Forum I

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:

This meeting will be held in-person at the RMHS Library, and remotely via Zoom, and will be streamed live on RCTV.

Join Zoom Meeting

<https://readingpsma.zoom.us/j/83657021146>

Meeting ID: 836 5702 1146

One tap mobile

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+1 346 248 7799 US (Houston)

+1 386 347 5053 US

+1 564 217 2000 US

+1 669 444 9171 US

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Find your local number: <https://readingpsma.zoom.us/u/kbPSIbo58Y>

FINANCIAL FORUM I AGENDA:

Topic	Presenter
Municipal Finance Presentation followed by Q&A	Sean Cronin, Senior Deputy Commissioner of Local Services (DOR)

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

Killam School Presentation	School Department
Discussion on Purchasing Property for a Senior Center	Town Manager Fidel Maltez
Town Finance Overview including projection of Free Cash, Revenue Projection and Budget Preview	Town Accountant Sharon Angstrom
School Finance Overview for FY2024	School Superintendent Tom Milaschewski & Finance Director of Schools Susan Bottan
Future Meeting Agendas	
Approval of Minutes: August 17, 2022	

*REVISED 9/20/2022 – updated Zoom link

Commonwealth of Massachusetts



Supporting a Commonwealth of Communities

Massachusetts School Building Authority (MSBA) Superintendent Roundtable

June 16, 2022



Municipal Finances

Local government services funded by property taxes, local receipts, state aid, issuance of debt and use of reserves

Income and sales taxes levied by state government



Proposition 2 ½

Approved by voters via a ballot initiative in 1980

Places annual limits on property taxes

1. Property tax levy cannot exceed 2.5% of the municipality's total assessed property valuation
2. Annual property tax levy cannot increase by more than 2.5%, except for "New Growth"
 - › Can ask local voters to exceed the 2.5% annual growth limit via an "operating override" or a "debt exclusion"



Property Tax Levy Building Blocks

Levy Ceiling

**2.5% of total Assessed Value (AV)
ex: $2.5\% \times \$1\text{B of AV} = \25M**

Levy Limit

**Formula essentially =
(Prior year Levy Limit X 2.5%) + New Growth + Overrides**

Levy

Determined annually as part of budget process



New Growth

- New growth reflects certain increases in the tax base and becomes a permanent part of the levy limit base:
 - properties that have increased in assessed valuation since the prior year because of development or other changes
 - exempt real property returned to the tax roll
 - new personal property
 - new subdivision parcels and condominium conversions
- New growth does not include market value increases

Example: vacant parcel valued at \$50K in prior year now valued at \$450K because of construction of single family home

- \$400,000 included in New Growth calculation
- if tax rate was \$14.90, \$5,960 in additional revenue



Annual Levy Limit – Pt. 1

	<u>FY1</u>	<u>FY2</u>	<u>FY3</u>	<u>FY4</u>	<u>FY5</u>
Prior Year Levy Limit	\$30,000,000	\$31,200,000	\$32,480,000	\$33,817,000	\$35,162,425
2.5% Increase	\$750,000	\$780,000	\$812,000	\$845,425	\$879,061
<u>New Growth</u>	<u>\$450,000</u>	<u>\$500,000</u>	<u>\$525,000</u>	<u>\$500,000</u>	<u>\$450,000</u>
Sub-Total	\$31,200,000	\$32,480,000	\$33,817,000	\$35,162,425	\$36,491,486
Assessed Value	\$2,000,000,000	\$2,060,000,000	\$2,080,600,000	\$2,018,182,000	\$1,917,272,900
Levy Ceiling	\$50,000,000	\$51,500,000	\$52,015,000	\$50,454,550	\$47,931,823



Referenda Questions

Overrides

1. Any Legal Spending Purpose
2. Permanent
3. Amount Limited by Ceiling

Exclusions

1. Only Capital Purchases
 2. Temporary
-
- Debt
(Life of Bond)
- Capital
(1 Year)
3. No Limit on the Number or Dollar Amount



Annual Levy Limit – Pt. 2

	<u>FY1</u>	<u>FY2</u>	<u>FY3</u>	<u>FY4</u>	<u>FY5</u>
Prior Year Levy Limit	\$30,000,000	\$31,200,000	\$32,480,000	\$34,817,000	\$36,187,425
2.5% Increase	\$750,000	\$780,000	\$812,000	\$870,425	\$904,686
<u>New Growth</u>	<u>\$450,000</u>	<u>\$500,000</u>	<u>\$525,000</u>	<u>\$500,000</u>	<u>\$450,000</u>
Sub-Total	\$31,200,000	\$32,480,000	\$33,817,000	\$36,187,425	\$37,542,111
<u>Override</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>
Levy Limit	\$31,200,000	\$32,480,000	\$34,817,000	\$36,187,425	\$37,542,111
<u>Debt Exclusion</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>\$1,900,000</u>
Max. Allowable Levy	\$31,200,000	\$32,480,000	\$34,817,000	\$38,187,425	\$39,442,111
Assessed Value	\$2,000,000,000	\$2,060,000,000	\$2,080,600,000	\$2,018,182,000	\$1,917,272,900
Levy Ceiling	\$50,000,000	\$51,500,000	\$52,015,000	\$50,454,550	\$47,931,823

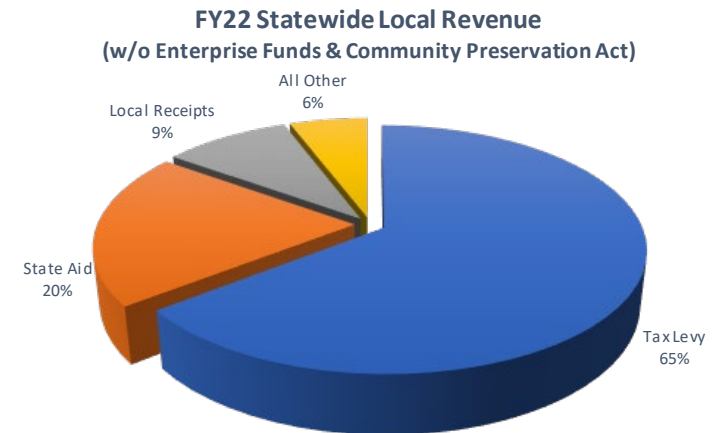
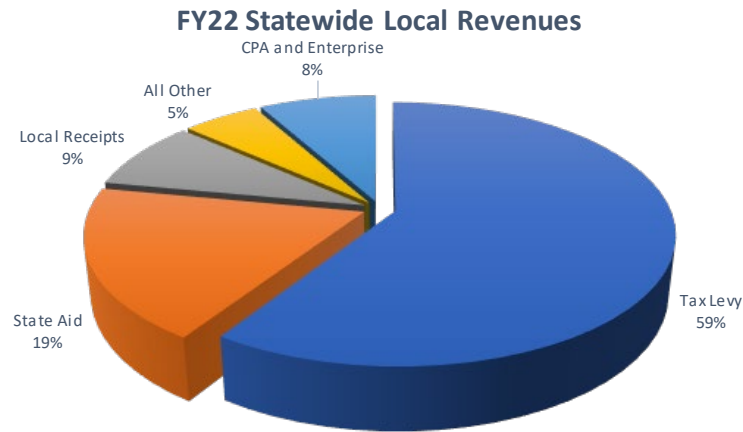


Overview of Municipal Finances

All data used on the following slides come from annual municipal reporting requirements to DLS that municipalities must comply with

- “Tax Recap” to set the Tax Rate
- Balance Sheet to calculate Free Cash
- Schedule A year-end revenue/expense report

Local Revenues



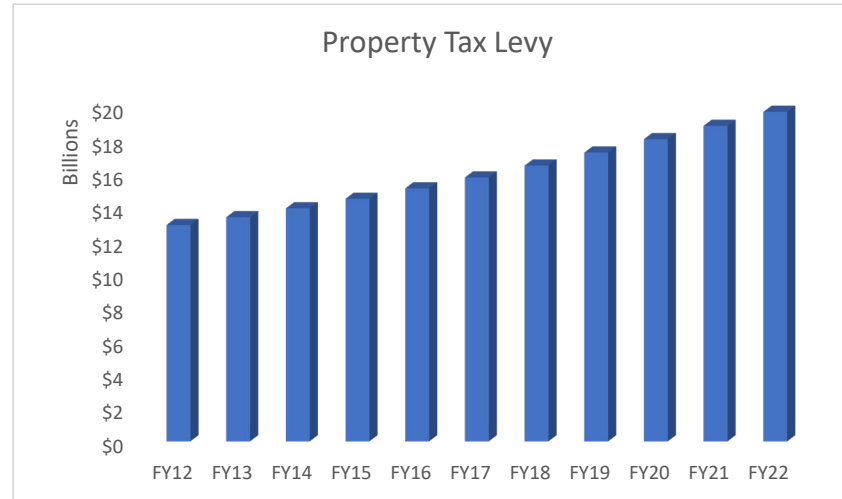
- While data shows 65% of local revenue comes from Property Taxes, more than 1/3 of municipalities have Property Taxes comprising 75%+ of revenue

Property Tax as % of Gen Fund Revenue	
Range	# muni's
80% +	74
70% - 79%	147
60% - 69%	69
50% - 59%	35
40% - 49%	14
30% - 39%	10
< 30%	1

- \$2.4B of Enterprise Funds revenues
 - Water/Sewer, Golf, Airport, Parking, etc.
 - Not available for General Fund expenditures
- \$355M of Community Preservation Act (CPA) monies
 - Not available for General Fund expenditures

Property Taxes

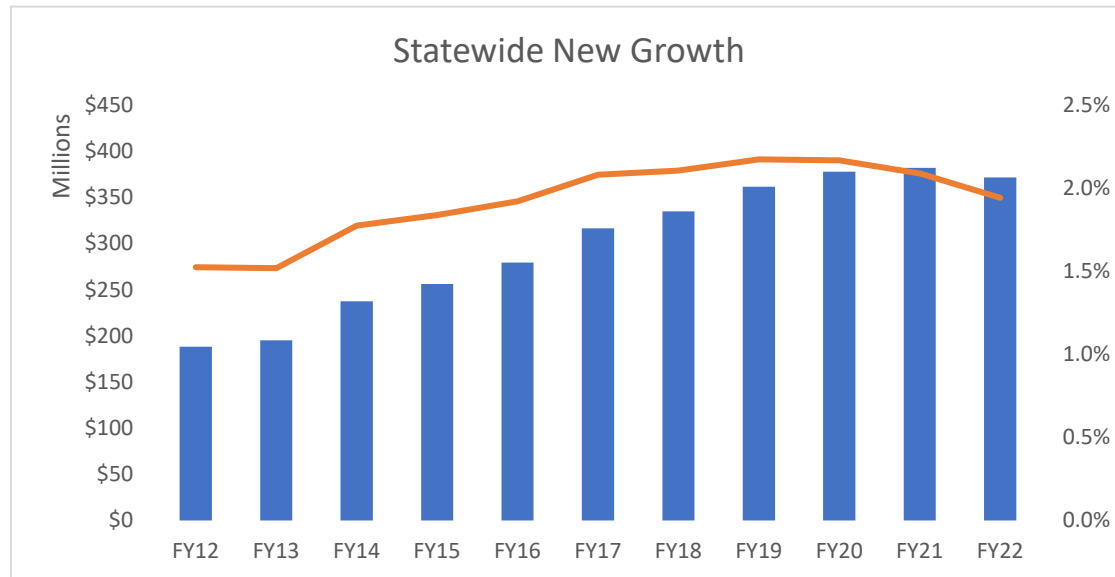
- Between FY12 – FY22, total statewide Property Tax levy increased \$6.8B (52%) from \$13B to \$19.8B



- Under Prop 2 ½, if every municipality simply increased its levy by 2.5%, the total levy would have grown from \$13B to \$16.6B, or \$3.6B (28%)
 - So where did the additional taxation come from?
 - New Growth ~\$3B
 - Overrides ~\$185M
 - Debt/Capital Exclusions ~\$244M
- Over the same period, the Avg Single Family Tax Bill grew ~\$2K (43%) to \$6,719
 - 80 municipalities with increases of greater than 50%
 - 30 municipalities with increases of less than 25%

New Growth

- Between FY12 – FY22, New Growth totaled \$3.3B

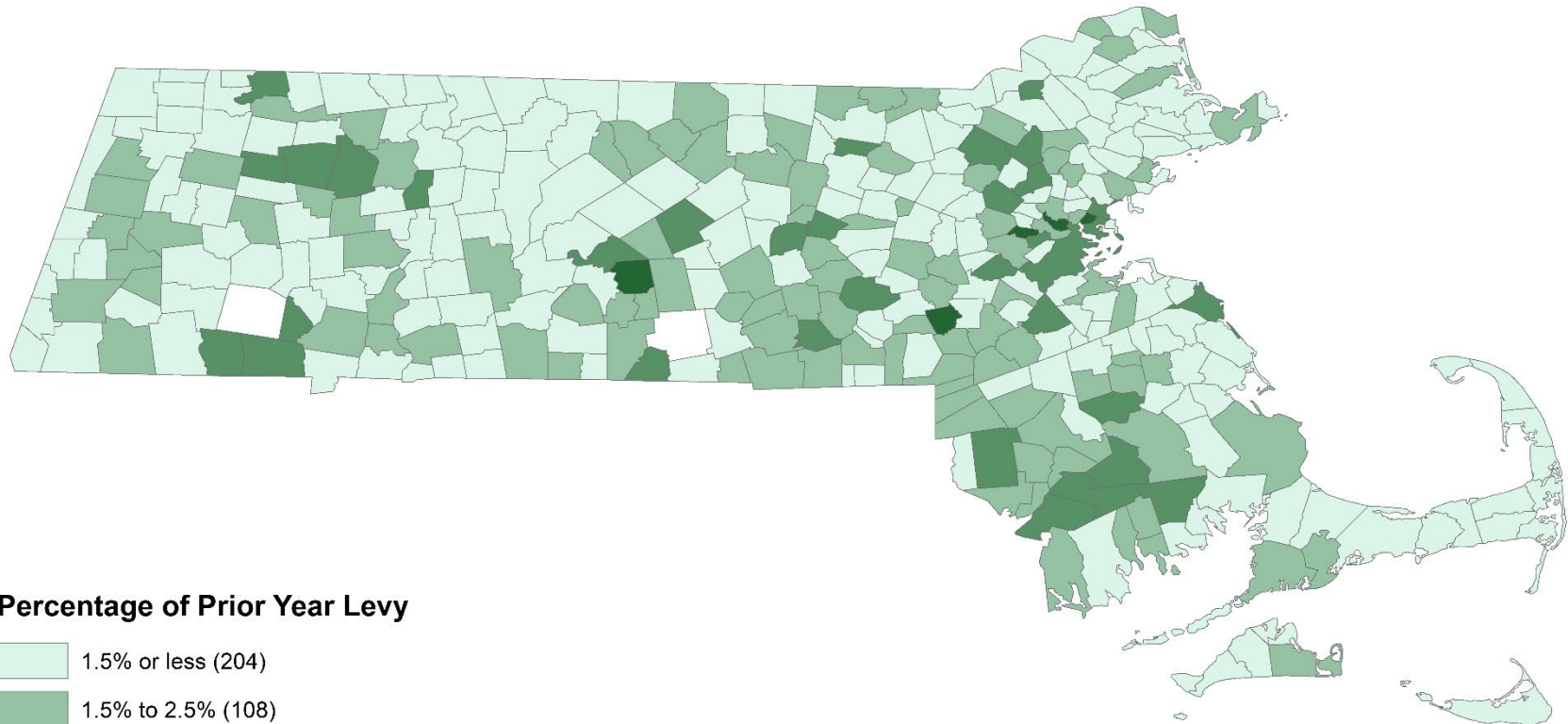


- Not all parts of the state seeing the same positive experience
 - The top 15 municipalities account for more than 40% of all New Growth (Boston alone = 22%)
 - In FY22:
 - » 190 municipalities had New Growth equal to less than 1.5% of the previous year's levy
 - » 40 municipalities had New Growth equal to more than 2.5% of the previous year's levy



New Growth Map

FY2022 New Growth Applied to Tax Levy



Percentage of Prior Year Levy

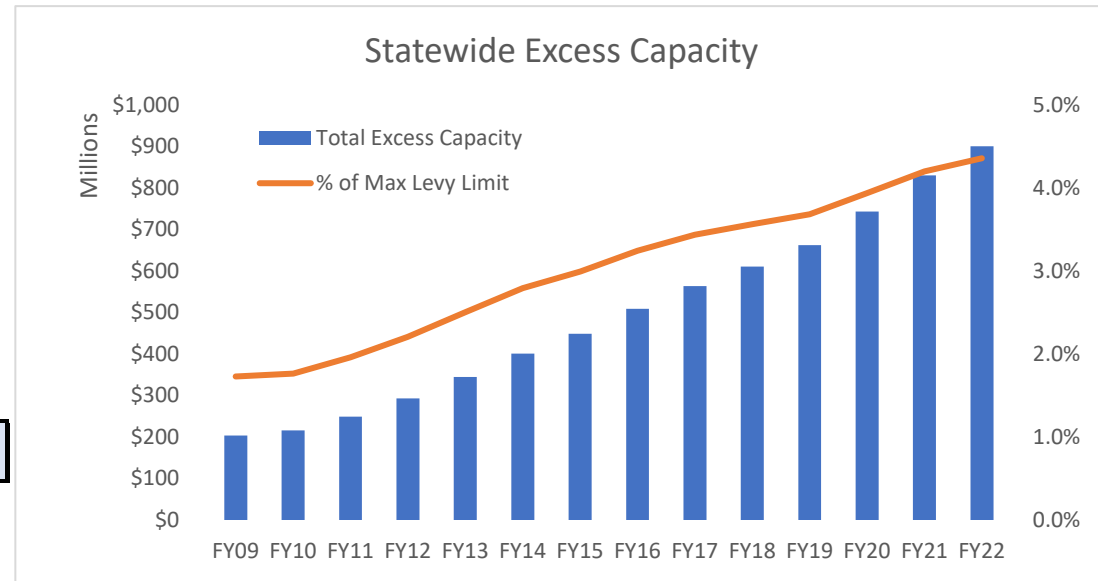
1.5% or less (204)
1.5% to 2.5% (108)
2.5% to 5% (32)
5% or greater (5)



Excess Capacity

- Excess Capacity is the difference between what a municipality can levy and does levy

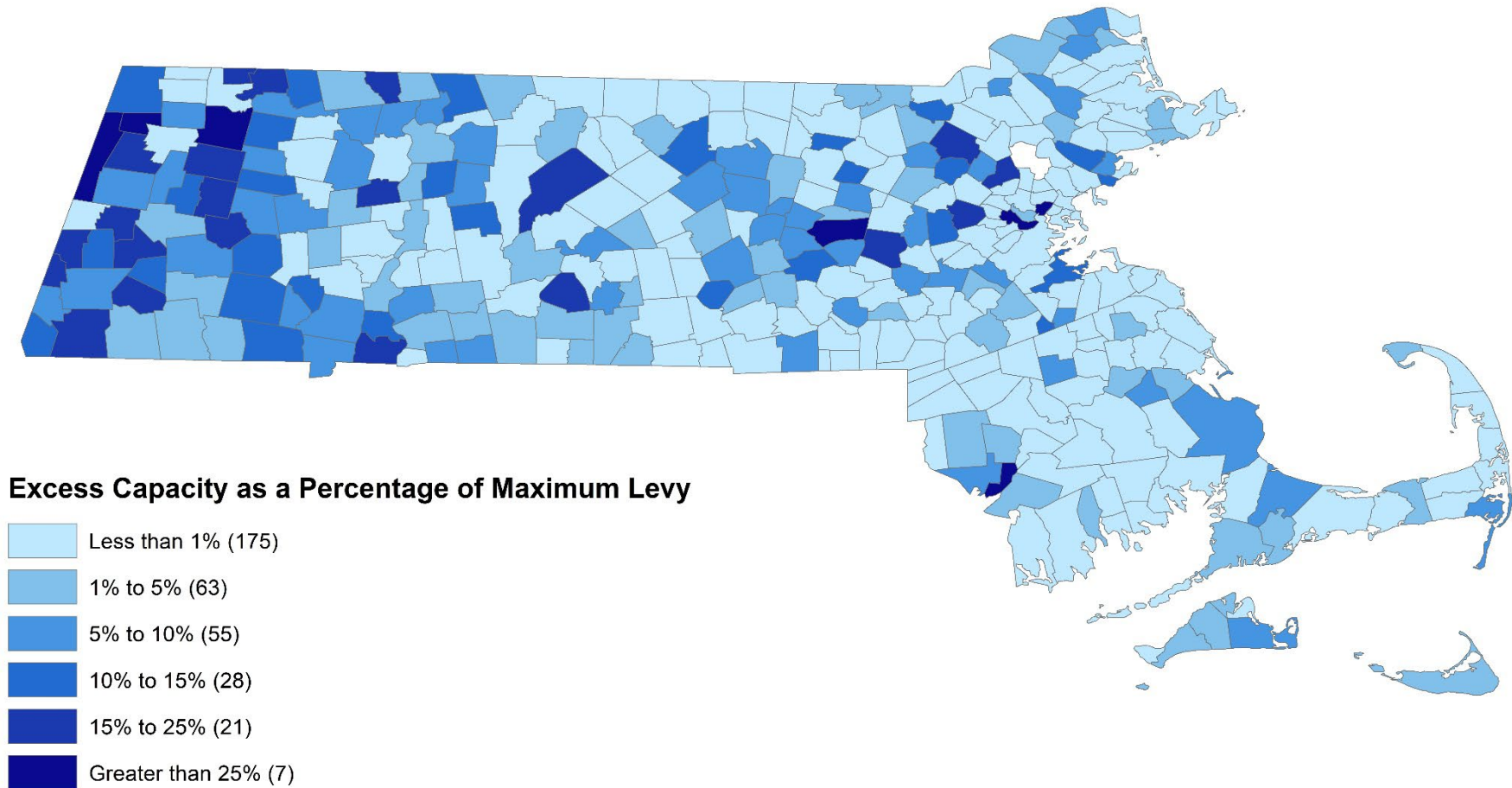
Prior Year Levy	\$10,000,000
2.5% Increase	\$250,000
<u>New Growth</u>	<u>\$150,000</u>
Maximum Levy	\$10,400,000
Actual Levy	\$10,250,000
Excess Capacity	\$150,000



- The top 10 municipalities account for 58% of all Excess Capacity (Cambridge alone = 22%)
- Most municipalities have small amounts of Excess Capacity:
 - 177 municipalities have Excess Capacity equal to less than 1% of the maximum levy
 - Statewide median is 0.9%

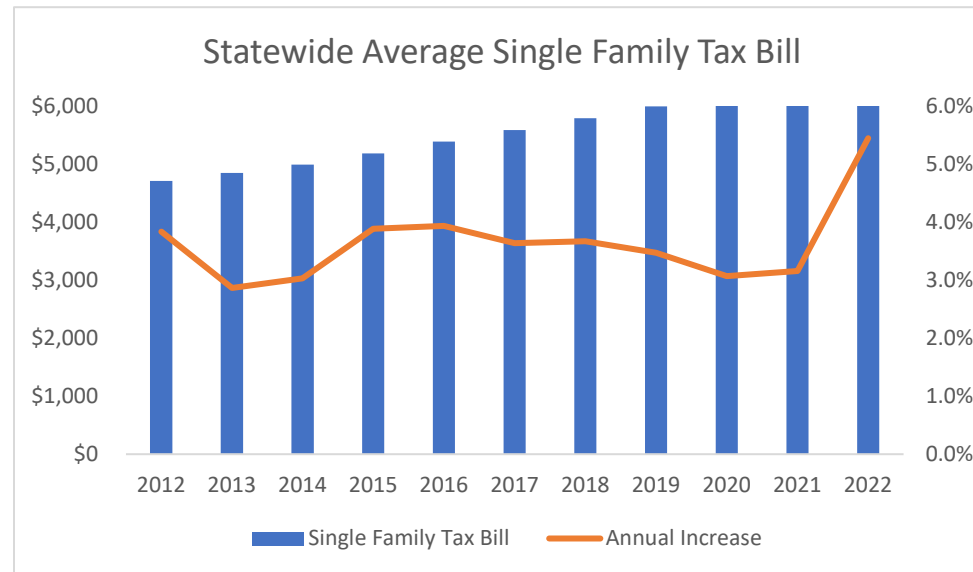
Excess Capacity Map

FY2022 Excess Levy Capacity



Single Family Tax Bill

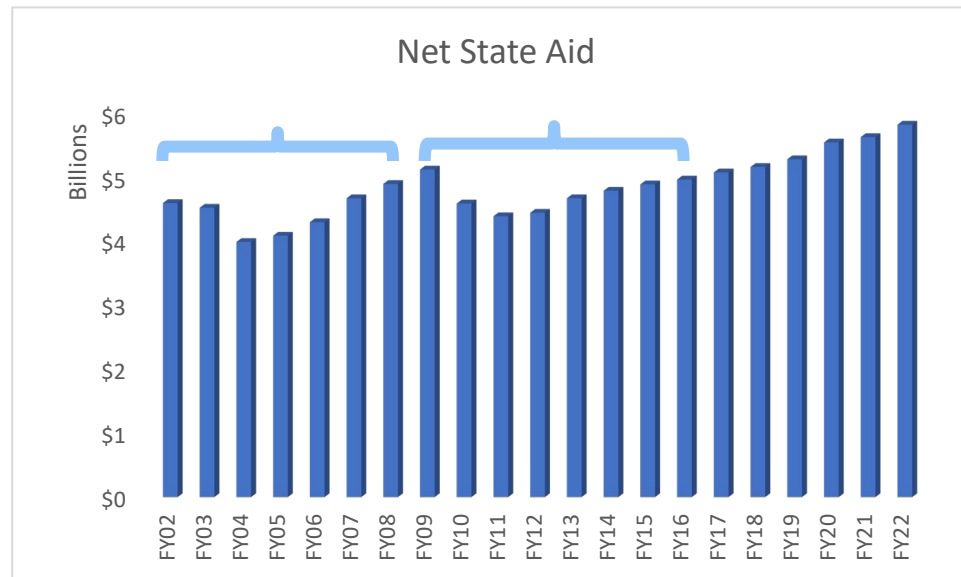
- As previously noted, between FY12 – FY22, the Average Single Family Tax Bill increased ~\$2K (43%) to \$6,719



- Increase would have been greater if not increased levels of Excess Capacity

State Aid

- Outside a municipality's control and dependent on overall economy
- In FY22, \$7.1B of "Cherry Sheet" aid
- Two major programs:
 - Ch. 70 Education Aid - \$5.5B in FY22
 - Unrestricted General Government Aid (UGGA) - \$1.2B in FY22
- Historically, fluctuates with the economy

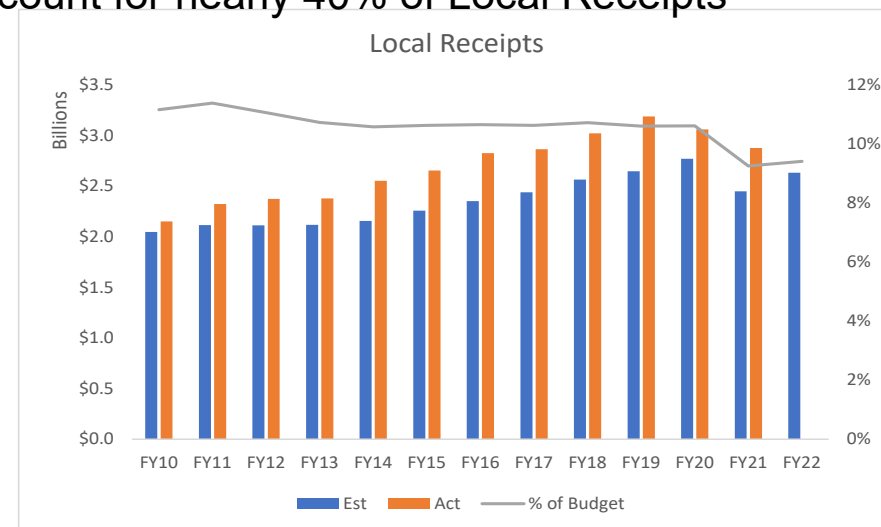


- After Dot-Com bust, took 5 years to get to previous level of aid
- After Great Recession, took 7 years to get to previous level of aid



Local Receipts

- Local Receipts come from a variety of sources other than property taxes, including excise taxes, regulatory fees, user fees, departmental revenues, investment income
- In FY22 (budgeted), totaled \$2.6B, or 9% of total revenue
 - Largest is MVE (\$825M, or 29% of all local receipts)
 - MVE formula set by state law; no municipal ability to alter it for additional revenue
- For FY10, new Meals Tax and increase in Room Occupancy Tax enacted
 - Meals now totals \$177M [using FY20 because of COVID]
 - Room Occupancy has grown to \$207M (from \$87M) [using FY20 because of COVID]
 - Maximum percentages set by state law
- The 3 excise taxes (MVE, Meals, Lodging) account for nearly 40% of Local Receipts
 - all formulas or percentages set by state law
 - all economically-sensitive
- Between FY10 – FY20, \$781M (35%) increase
 - the 3 excise taxes account for 63% of the increase
 - licenses and permits another significant factor in increase
 - most others flat or declining



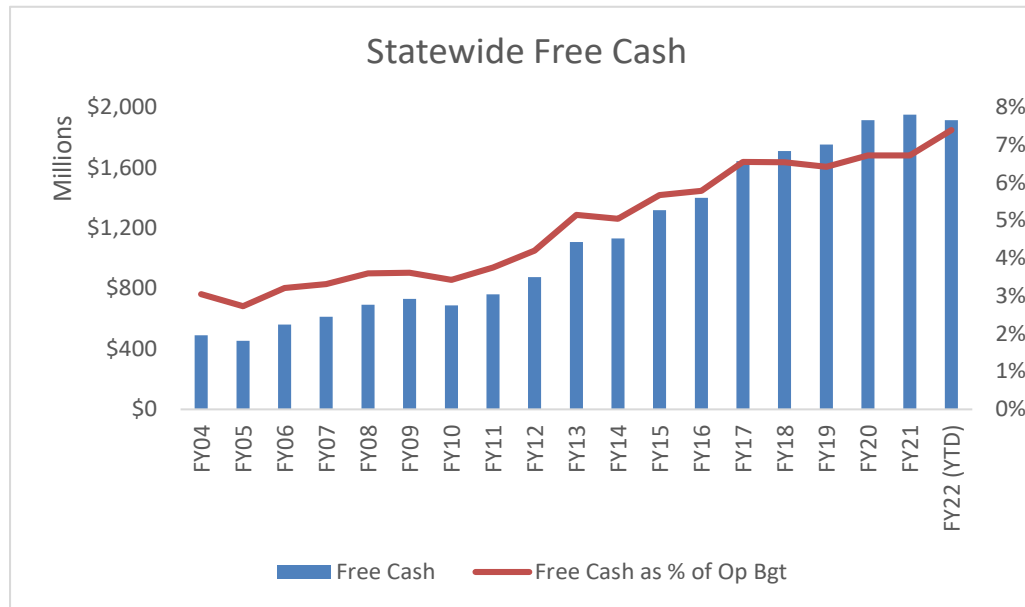


Free Cash

- Free Cash is the amount of unrestricted funds, as of July 1, from operations of the previous FY based on the balance sheet as of June 30
- Includes
 - actual receipts in excess of estimates
 - unspent amounts in budget line items for the year just ending
 - unexpended Free Cash from the previous year
- Offset by property tax receivables and certain deficits, so can be a negative number
- Free Cash is the culmination of multiple years' operating results and is not an annual "budget surplus"
- As a nonrecurring revenue source, should be restricted to paying 1-time expenditures, funding capital projects or put toward reserves
 - do not use for on-going expenses
- Recommended that Free Cash be maintained at a level equivalent to 3%-5% of budget



Free Cash (con't.)



- In FY22 YTD, \$2.3B of Free Cash certified statewide [340 muni's]
 - Boston and Cambridge account for 25%
 - Top 20 municipalities accounted for 44% of the total
- Backing out the ~90 muni's with a budget of less than \$15M:
 - 73 have Free Cash equivalent to less than 5% of budget
 - 186 have Free Cash equivalent of at least 5% of budget

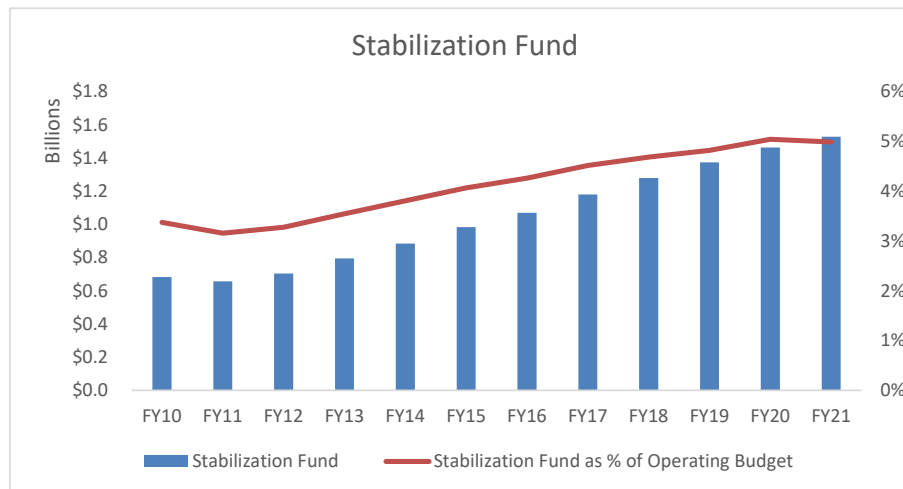


Reserves

- Two types:
 - Annual budget reserve – appropriated for “extraordinary or unforeseen expenditures”
 - › Any balance closes out at the end of the FY
 - Stabilization Fund – appropriated to set aside monies for future spending purposes
 - › Any balance as of 6/30 remains in the fund
 - › Two types:
 - » General – the “Rainy Day Fund”
 - » Special Purpose – monies dedicated for specific purposes (e.g., capital, facility maintenance, public safety equipment); can only be used for the specific purpose the legislative body voted
- Recommended that General Stabilization Fund be maintained at a level equivalent to 3%-5% of budget



Reserves (con't.)



Note: FY21 data
for 327 muni's

- For these 327 muni's with FY21 data, \$1.5B of Stabilization Funds statewide
 - Top 25 municipalities accounted for 41% of the total
- Backing out the muni's with a budget of less than \$15M:
 - 108 have Stabilization Funds equivalent to less than 5% of budget
 - 140 have Stabilization Funds equivalent of at least 5% of budget
- When add Free Cash + Stabilization Fund:
 - 82 less than 10%
 - 183 between 10% - 20%
 - 79 greater than 20% (41 of these are muni's with budgets of less than \$5M)



Personnel Costs

- Personnel costs (wages and benefits) comprise 70% - 80% of a municipality's budget
 - No surprise since local government is a service industry that requires employees to deliver those services
- Critical that municipalities:
 - provide COLA's that are affordable and sustainable
 - continuously look at ways to contain health insurance costs



Summary

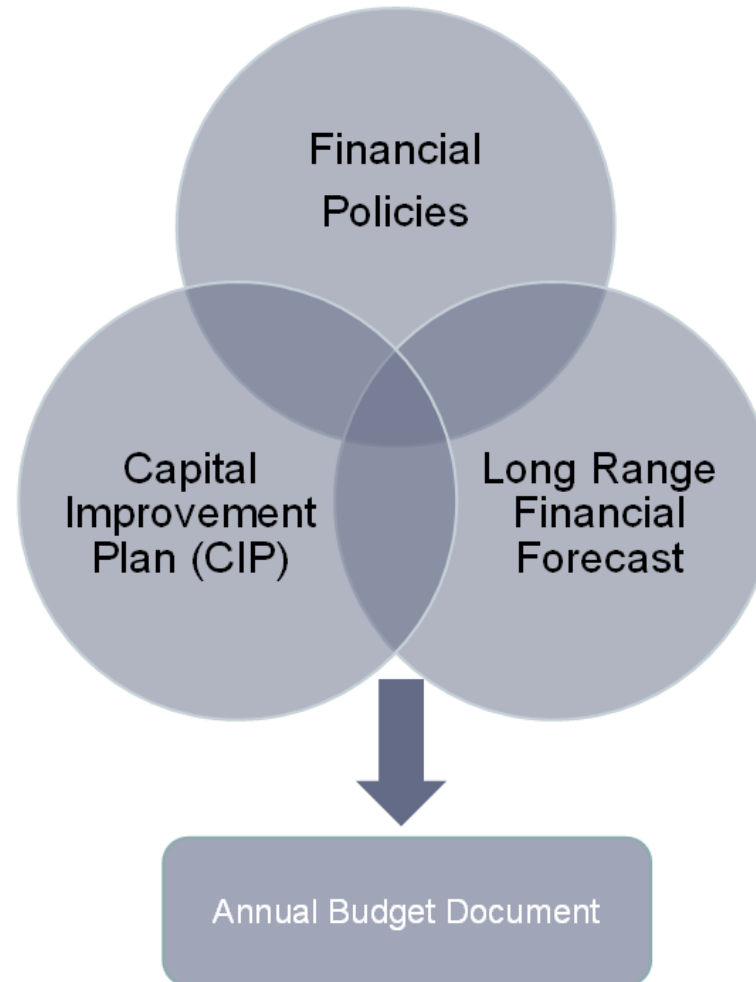
- Property Taxes capped by Proposition 2 ½
- New Growth experience varies greatly across the state
- Majority of municipalities annually levy property tax to the maximum extent possible
- State Aid is heavily dependent on the economy and is mostly for education
- Local Receipts grow minimally except for economically-sensitive items
 - and those can actually decline during economic downturns
- The largest Local Receipt items (MVE, Meals Excise, Lodging Excise) have formulas or percentages set by state law
- Free Cash experience varies greatly across the state
- Reserves (Stabilization Funds and Free Cash) should be equivalent to 6%-10% of revenue and be used for one-time expenses
- Pensions and Health Insurance annual budget challenges
- Municipalities limited in financial flexibility



Municipal Management Team

- Selectmen/Mayor/City Manager
 - Town Administrator/Town Manager
 - City Council/Town Meeting
 - Finance Committee
 - Assessors
 - Collector
 - Treasurer
 - Accountant/Auditor
 - Clerk
- Teamwork and communication among the members of the municipal management team is essential for the efficient operation of the municipality

Essential Financial Management Concepts



Financial Policies

- Bond rating agencies and audit firms want to see policies adopted and followed
- Every municipality is different – develop policies that work best for your community
- Use financial modeling when developing policies to see the long-range impacts

Examples of Financial Policies

- **Reserve Policies**

- Annual budget reserve – $x\%$ of revenue
- Unassigned Fund Balance – maintain at $x\%$ of revenue
- Overlay Reserve – establish process for annual review/declaration of surplus

- **Free Cash Policy**

- Use only for one-time expenses
- Prioritization of use – e.g., annual budget reserve, unassigned fund balance, special reserves, CIP, housing trust, reduce unfunded liabilities

- **CIP Policies**

- Definition (\$ value, etc.)
- Evaluation process
- Financing
 - $X\%$ of revenue to support debt service + $Y\%$ of revenue to support pay-as-you-go capital
 - Free Cash
 - Enterprise funds = self-supporting
- Debt Management
 - Amortization (e.g., 50% shall mature within 10 yrs)
 - Total outstanding debt shall not exceed $X\%$ of Assessed Value
 - Total outstanding debt per capita shall not exceed \$X
 - Total outstanding debt shall not exceed $X\%$ of per capita income
 - Debt service shall not exceed $X\%$ of revenue

Long Range Financial Forecast

- Should serve as the cornerstone of the budgeting process
- Assesses long-term financial implications of current and proposed policies, programs
- Helps determine what is available for collective bargaining
- Acts as a bridge between the operating budget and the CIP, bringing all fiscal policy and economic variables together to establish coordinated managerial direction
- Major assumptions include:
 - New Growth
 - State Aid
 - Local Receipts
 - Wage adjustments
 - Utility costs
 - Net School Spending (NSS) requirements
 - Benefits (Health Insurance, Pensions, OPEB's)
 - CIP funding (debt service)



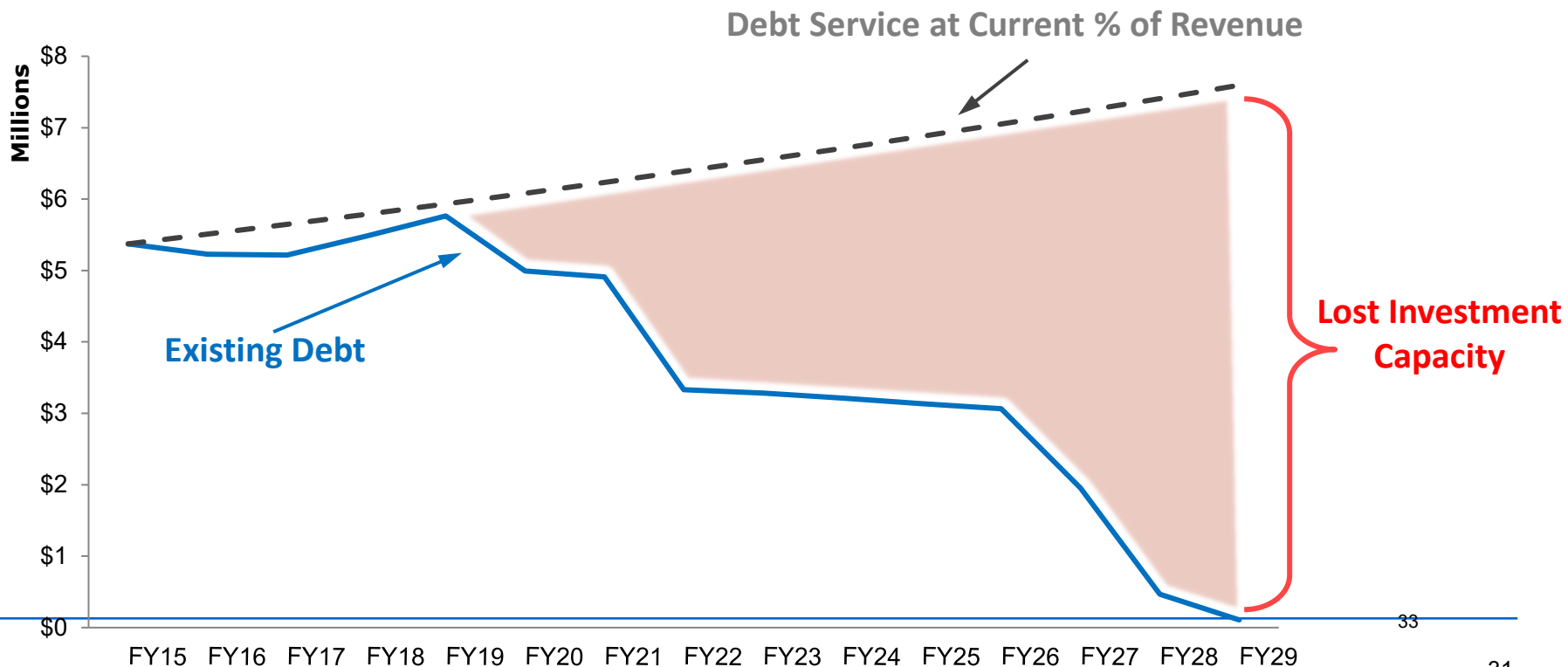
Debt

- Debt management is a critical function for local finance managers
- Mismanaging debt can cripple a municipality's finances
- Municipalities must maintain its infrastructure
 - Schools, public safety facilities, other municipal buildings
 - Parks, playgrounds, other open spaces
 - Water, sewer systems
 - Streets, sidewalks, bridges, culverts
 - Information Technology
 - Heavy equipment (e.g., fire trucks, DPW trucks)



Maintain a Steady Balance of Capital Investment

- Because of its critical nature and large financial obligation, municipalities should reinvest decreases in debt service
 - don't use it for "operating budget relief"
 - maintain debt service as a constant percent of revenue
- Lack of reinvestment leads to lost capacity





Debt Management Plan

PROJECT	BOND AUTH.	BOND AMT	TERM	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Funded Within 6% CIP Policy</u>												
Runkle School - Constr. (previously authorized)	\$17.580	\$0.500	10	\$0.068	\$0.066	\$0.064	\$0.062	\$0.061	\$0.059	\$0.057	\$0.055	\$0.054
Roof Repairs/Replacements (previously authorized)	\$1.350	\$1.350	10	\$0.182	\$0.178	\$0.173	\$0.168	\$0.163	\$0.159	\$0.154	\$0.149	\$0.144
Fisher Hill Park (previously authorized)	\$1.200	\$1.200	10	\$0.162	\$0.158	\$0.154	\$0.149	\$0.145	\$0.141	\$0.137	\$0.133	\$0.128
Old Lincoln School (previously authorized)	\$3.000	\$3.000	15	\$0.313	\$0.305	\$0.298	\$0.290	\$0.283	\$0.275	\$0.268	\$0.260	\$0.253
MSC Renovations (previously authorized)	\$2.500	\$1.500	10	\$0.203	\$0.197	\$0.192	\$0.187	\$0.182	\$0.176	\$0.171	\$0.166	\$0.161
Carlton St. Footbridge (previously authorized)	\$1.400	\$1.245	10		\$0.177	\$0.172	\$0.167	\$0.162	\$0.156	\$0.151	\$0.146	\$0.140
Muddy River (previously authorized)	\$0.745	\$0.745	10		\$0.104	\$0.101	\$0.098	\$0.095	\$0.092	\$0.089	\$0.086	\$0.083
Ladder #2 (future authorization)	\$0.900	\$0.900	10		\$0.128	\$0.124	\$0.121	\$0.117	\$0.113	\$0.109	\$0.105	\$0.101
Rear Landfill (future authorization)	\$4.600	\$4.600	20		\$0.449	\$0.438	\$0.427	\$0.416	\$0.405	\$0.394	\$0.383	\$0.372
MSC Renovations (future authorization)	\$2.500	\$1.000	10		\$0.143	\$0.138	\$0.134	\$0.130	\$0.126	\$0.121	\$0.117	\$0.113
Pierce Playground (future authorization)	\$0.920	\$0.920	10			\$0.131	\$0.127	\$0.123	\$0.119	\$0.115	\$0.112	\$0.108
Roof Repairs/Replacements (future authorization)	\$1.050	\$1.150	10			\$0.164	\$0.159	\$0.154	\$0.149	\$0.144	\$0.139	\$0.135
Envelope/Fenestration Repairs (future authorization)	\$1.300	\$1.300	10			\$0.185	\$0.180	\$0.174	\$0.169	\$0.163	\$0.158	\$0.152
Corey Hill + Emerson Garden (future authorization)	\$1.170	\$1.170	10				\$0.167	\$0.162	\$0.157	\$0.152	\$0.147	\$0.142
Driscoll School Addition (future authorization)	\$27.300	\$10.000	20				\$0.975	\$0.951	\$0.928	\$0.904	\$0.880	\$0.856
Driscoll School Addition (future authorization)	\$27.300	\$17.300	20					\$1.687	\$1.646	\$1.605	\$1.563	\$1.522
Fire Maintenance/Training Facility (future authorization)	\$4.125	\$4.125	20					\$0.402	\$0.392	\$0.383	\$0.373	\$0.363
High School Addition (future authorization) - BAN	\$48.750	\$5.000	1						\$0.100			
Larz Anderson Park (future authorization)	\$2.700	\$2.700	15						\$0.302	\$0.293	\$0.285	\$0.277
Roof Repairs/Replacements (future authorization)	\$3.500	\$3.500	15						\$0.391	\$0.380	\$0.370	\$0.359
High School Addition (future authorization) - BAN	\$48.750	\$38.000	1							\$0.700	\$0.000	\$0.000
Roof Repairs/Replacements (future authorization)	\$2.500	\$2.500	10							\$0.356	\$0.346	\$0.335
Larz Anderson Park (future authorization)	\$2.200	\$2.200	10							\$0.314	\$0.304	\$0.295
High School Addition (future authorization) - BAN	\$48.750	\$48.750	1								\$0.910	
High School Addition (future authorization)	\$48.750	\$48.750	25									\$4.388
Larz Anderson Park (future authorization)	\$2.500	\$2.500	15									\$0.279
Cypress Playground / Athl Field (future authorization)	\$1.400	\$1.400	10									\$0.200
Baldwin School (future authorization)	\$2.250	\$2.250	15									\$0.251
NEW GEN FUND DEBT SERVICE (cumulative)				\$0.927	\$1.904	\$2.334	\$3.411	\$5.406	\$6.053	\$7.160	\$7.187	\$11.211
<u>Debt Exclusions</u>												
Devotion School - Design/Constr. (future authorization)	\$77.000	\$10.000	25			\$0.727	\$0.727	\$0.727	\$0.727	\$0.727	\$0.727	\$0.727
Devotion School - Design/Constr. (future authorization)	\$77.000	\$50.000	25				\$3.637	\$3.637	\$3.637	\$3.637	\$3.637	\$3.637
Devotion School - Design/Constr. (future authorization)	\$77.000	\$17.000	25					\$1.237	\$1.237	\$1.237	\$1.237	\$1.237
NEW DEBT EXCLUSION DEBT SERVICE (cumulative)				\$0.000	\$0.000	\$0.727	\$4.364	\$5.601	\$5.601	\$5.601	\$5.601	\$5.601

Can We Afford It?

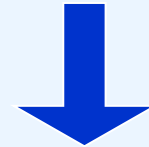
- A common question is “Can the city/town afford this project?”
- How do we determine that?
 - That question is asked in two different environments: debt exclusion vs. within levy

Debt Exclusion



- Ultimate question is “what is the increase on my tax bill”
- Factors include: cost, interest rate, bond term, bond structure

Within Levy



- Key is what capacity exists in the CIP
- What amount of existing debt is running off over each of the next few years (Debt Mgmt Plan)?
- What other projects are planned? Could they re-ordered?
- Could the muni increase resources available for capital (i.e., modify policies)?

Killam School Building Project

September 21, 2022





Why Killam Needs to Be Addressed

- Facilities

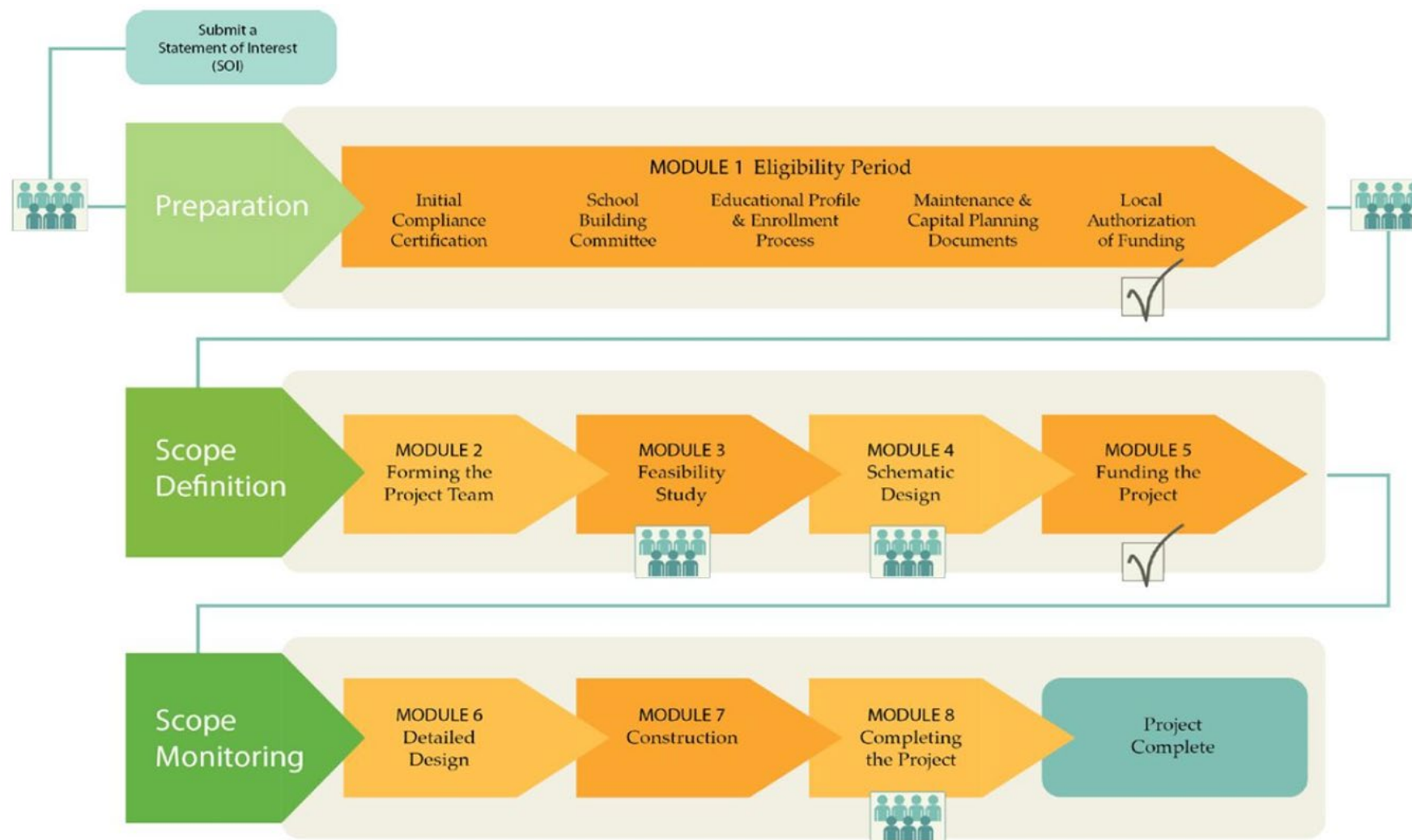
- Lead in drinking water
- Lack of ADA compliance in Hi-Def areas, student and staff bathrooms, entrances and exits, cafeteria stage
- Classroom access requires passing through other classroom
- Limited electrical and data connections
- Lack of fire sprinkler system
- Large scale door and window replacement needed
- Opportunity for increased sight lines for safety
- Water infiltration during heavy rain

- Programmatic

- Small group spacing
- EL and Special Education services
- R.I.S.E.



Overview of MSBA Process





Prospective MSBA Timeline

Eligibility Period/Preparation	270 days
June 1, 2022 through February 23, 2023	
12 Weeks Elapsed, 28 Weeks Remaining	
Project Team (OPM, Designer)	150 days
Feasibility Study	300 days
Schematic Design	75 days
Project Scope & Funding	90 days
Final Design 1 year Construction	1.5 years
	Total = 3.5 years

*The above are maximum allowed durations. Many steps will likely overlap, resulting in a shorter, 3.5-year timeframe.



Why Funding the Feasibility Study is Important

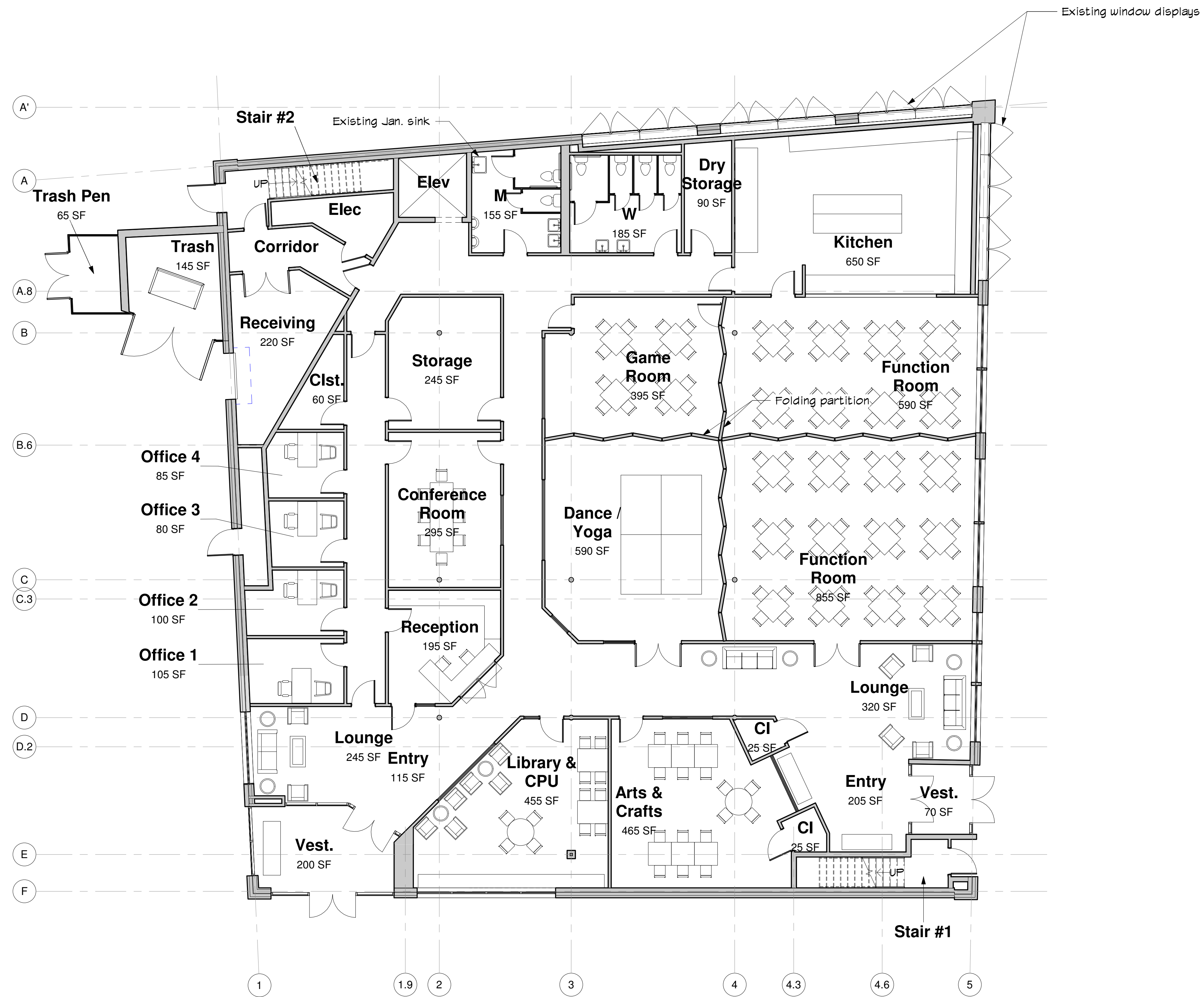
- Required step to move beyond the eligibility period into Module 2
- Will provide a much stronger basis for estimating project costs before the town is asked to support funding of the full project
- Included contingencies to help ensure all required analyses may be completed within this ask
- Much of the \$2.2M is reimbursable from the MSBA should we move forward with a funding agreement



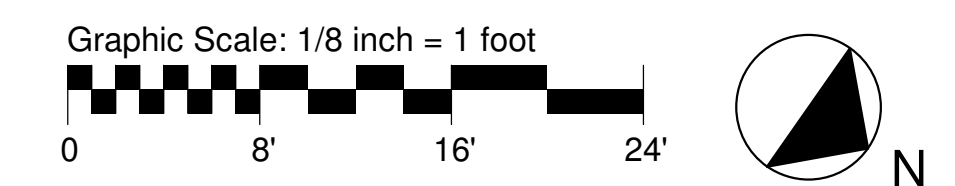
Feasibility Study - Appropriation for Modules 2-5

Designer & OPM Estimated Fees for Modules 2-5:

Designer Fees.....	\$740,000	
Reimbursable Costs.....	\$ 20,000	
Testing & Other Services:		
Geotechnical & Geo-Environmental.....	\$270,000	
Hazardous Materials.....	\$120,000	
Site Survey.....	\$ 70,000	
Wetlands.....	\$ 15,000	
Traffic Study.....	\$ 40,000	
OPM Fee.....	\$260,000	
Estimating Contingency (20%).....	\$300,000	
Feasibility Study Total (2021).....		\$2,000,000
10% Escalation	\$200,000	
Feasibility Student Total (2022).....		\$2,200,000



1 First Floor Plan
1/8" = 1'-0"



First Floor Plan

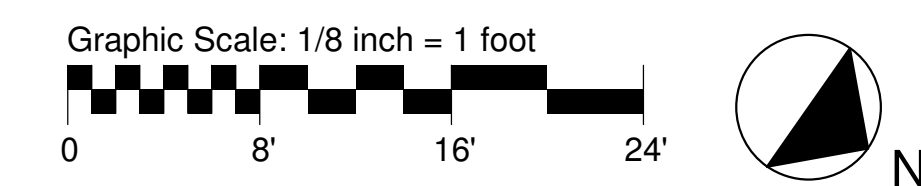
Reading Senior Center Walgreens Test Fit

09/09/2022

682.23



1 Second Floor Plan
1/8" = 1'-0"



Second Floor Plan

Reading Senior Center Walgreens Test Fit

09/09/2022

682.23

EXHIBIT 1 – PRICE PROPOSAL FORM

Please provide the Total Purchase Price, including any and all Costs to the Town, with a detailed breakdown of all costs.

For the purpose of comparing proposals for Purchase of a Building, Line 2, Total Purchase Price, will be used.

1. TOTAL PURCHASE PRICE

\$7,000,000 less Seller Credit (estimated to be approximately \$2,000,000)

(In Figures)

2. TOTAL PURCHASE PRICE

Seven Million Dollars less Seller Credit estimated to be approximately Two Million Dollars

(In Words)

Provide a detailed breakdown of all costs to the Town. Use additional paper if necessary.

On behalf of the Person or Business Submitting the Proposal (“the “RFP Respondent”), having been duly authorized, I represent that:

The name and address of the RFP Respondent are:

BH Waltham II LLC

C/O Partel Management LLC 131 Hartwell Avenue, Lexington, MA 02421

The name, address, email address, and phone of the RFP Respondent’s principal contact person for all matters concerning this RFP are:

Robert Parsekian, C/O Azad Legacy Partners LLC, 131 Hartwell Avenue, Lexington, MA 02421

bob@azadlegacy.com (please cc partners@azadlegacy.com and tim@azadlegacy.com)

(617) 615-9691

The RFP Respondent acknowledges receipt of the following Addenda to the RFP:

Addendum 1 dated September 8, 2022

Addendum _____ dated _____

The RFP Respondent constitutes the following type of entity with the following principals (use separate sheet if necessary): If a corporation, the State of Incorporation and the officers and directors are:

If a limited liability company, the state of organization and the manager and members are:

Massachusetts. Manager: Partel Management LLC.

If a partnership or a limited partnership, the state of organization and the general partners are:

If a trust, name of trust, the state of organization, the trustees and the Registry book and page for the recorded trust instrument are:

If any other form of person or entity, specify the type of entity, state of organization and its principals:

This Proposal will remain subject to acceptance by the Town of Reading for 90 days after the date of submission of proposals or for such additional time as the Town and the RFP Respondent may agree in writing.



Signature

Robert Parsekian

Name of Person Signing

Authorized Person

Title

8/15/22

Date

bob@azadlegacy.com

Email Address

(617) 615-9691

Telephone Number

Reading Senior Center -Walgreens

Probable Construction Cost

158 Main Street

Reading, MA

08/19/22

Prepared: LF

0 CIVIL-SITEWORK

0.01 Enlarge Dumpster with new pad and gate	unit	1	10000	\$	10,000		
0.02 Repair ADA pads	unit	1	5000	\$	5,000		
Subtotal						\$ 15,000	\$ 1.00

DEMOLITION

1 General Building gut all Interiors/Systems	Unit	22,500	\$	20	\$	450,000	
1.1 Five new window openings 2nd Flr Offices	ea	5	\$	1,000	\$	5,000	
Subtotal						\$ 455,000	\$ 30.33

MASONRY

4.01 Miscellaneous	sf	1	\$	5,000	\$	5,000	
4.02 Five new window openings 2nd Flr Offices	ea	5	\$	5,000	\$	25,000	
Subtotal						\$ 30,000	\$ 2.00

CARPENTRY / GWB PARTITIONS

6.01 Exterior Framing 5 window opeings	each	5	\$	2,000	\$	10,000	
6.02 First floor fit out w/ Finishes	SF	25000	\$	60	\$	1,500,000	
6.03 Second floor fit out w/Finishes	SF	7500	\$	60	\$	450,000	
6.04 Millwork	unit	1	\$	50,000	\$	50,000	
6.05 Extr Wall insulation	sf	15000	\$	4	\$	60,000	
6.06	unit	0	\$	-	\$	-	
6.07	unit	0	\$	-	\$	-	
6.08	sf	0	\$	\$0.00	\$	-	
Subtotal						\$ 2,070,000	\$ 138.00

MOISTURE

7.00 Roof - Minor repair	unit	1	\$5,000.00	\$	5,000		
7.01 New Roof Opening for Kitchen hood	sf	1	\$5,000.00	\$	5,000		
7.02 Floor mitigation/patching	sf	\$5	15000	\$	75,000		
Subtotal						\$ 85,000	\$ 5.67

WINDOWS / DOORS

7.02 5 New Store Front windows- Office	sf	350	\$	65	\$	22,750	
7.03 Front entry repairs and thresholds 4 Locations	unit	4	\$	2,500	\$	10,000	
7.04 New Interior Windows and SF	sf	6	\$	5,000	\$	30,000	
7.05 New Interior Doors and Frames	sf	40	\$	1,500	\$	60,000	
7.06 New Hardware	sf	40	\$	1,000	\$	40,000	

Reading Senior Center -Walgreens

Probable Construction Cost

158 Main Street

Reading, MA

08/19/22

Prepared: LF

7.08 New exterior storefront windows	SF	450	\$90.00	\$	40,500			
<i>Subtotal</i>					\$	203,300	\$	13.55
5 STRUCTURAL REPAIRS								
5.1 New Roof Opening	unit	1	\$	5,000	\$	5,000		
5.2 New Concret slab for Toilets	unit	1	\$	20,000	\$	20,000		
5.3 Misl metals	unit	1	\$	5,000	\$	5,000		
<i>Subtotal</i>					\$	30,000	\$	2.00
9 PAINTING								
9.1 Prep and paint Interiors	sf	25,000	\$	6	\$	150,000		
9.2 Prep and Paint Doors/Frames	Units	40	\$	250	\$	10,000		
9.3 Misl.	unit	1	\$	2,500	\$	2,500		
<i>Subtotal</i>					\$	162,500	\$	10.83
10 MISCL FITTINGS/ACCESSORIES								
10.1 TB/MB/Corner gurads, wall guards,Signage	unit	1	\$	30,000	\$	30,000		
10.2 Toilet Partitions	unit	3	\$	5,000	\$	15,000		
10.3 Window treatment	unit	1	\$	10,000	\$	10,000		
<i>Subtotal</i>					\$	55,000	\$	3.67
12 EQUIPMENT								
12.1 Folding Room Partition	lf	60	\$	1,000	\$	60,000		
12.2 Kitchen Equipment	unit	1	\$	175,000	\$	175,000		
<i>Subtotal</i>					\$	235,000		
14 ELEVATOR START-UP								
14.1 Testing,repairs and inspection	unit	1	\$	15,000	\$	15,000		
<i>Subtotal</i>					\$	15,000	\$	1.00
21 FIRE PROTECTION								
21.1 New testing and Calcs	unit	1	\$	2,500	\$	2,500		
21.2 New Distribution/Demolition	unit	15,000	\$	5	\$	75,000		
<i>Subtotal</i>					\$	77,500	\$	5.17
22 PLUMBING								
22.1 Plumb New kitchen	unit	1	\$	40,000	\$	40,000		
22.2 New toilet rooms	ea	4	\$	30,000	\$	120,000		
<i>Subtotal</i>					\$	160,000	\$	10.67

Reading Senior Center -Walgreens

Probable Construction Cost

158 Main Street

Reading, MA

08/19/22

Prepared: LF

23 HVAC

23.1 New Roof Top Units	unit	9	\$	6,000	\$	54,000		
23.2 New Distribution /Demolition	SF	15,000	\$	50	\$	750,000		
23.3 New Kitchen Fit out	unit	1	\$	25,000	\$	25,000		
<i>Subtotal</i>					\$	829,000	\$	55.27

26 ELECTRIC

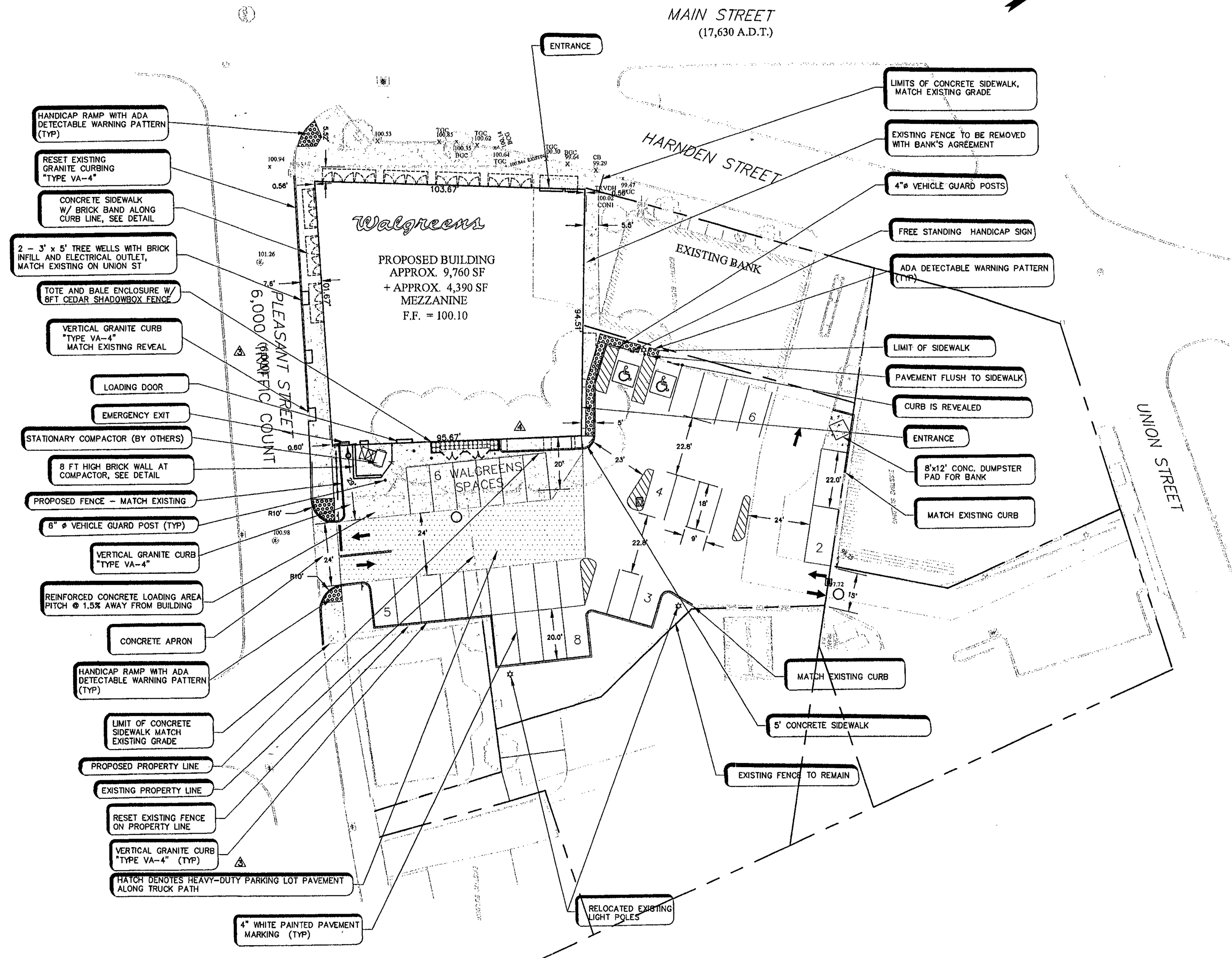
26.1 New Roof RTU/energize	ea	9	\$	500	\$	4,500		
26.2 New Distribution /Demolition/Fit-out	SF	15,000	\$	45	\$	675,000		
26.3 New Kitchen Fit out	unit	1	\$	15,000	\$	15,000		
26.4 New Security	SF	15,000	\$	4	\$	60,000		
26.5 New Fire Alarm	SF	15,000	\$	5	\$	75,000		
26.6 New IT/AV	SF	15,000	\$	4	\$	60,000		
<i>Subtotal</i>					\$	889,500	\$	59.30

TOTAL CONSTRUCTION

General requirements	10%				\$	5,311,800		
GENERAL CONDITIONS AND OVERHEAD	15%				\$	796,770		
Design/Estimate contingency 10%	10%				\$	663,975.0		
Permit Fee- Waived								
Total Construction Budget-					\$	7,303,725	\$	486.92 AVG \$/SF

Does not include escalation

Does not include site improvement costs.



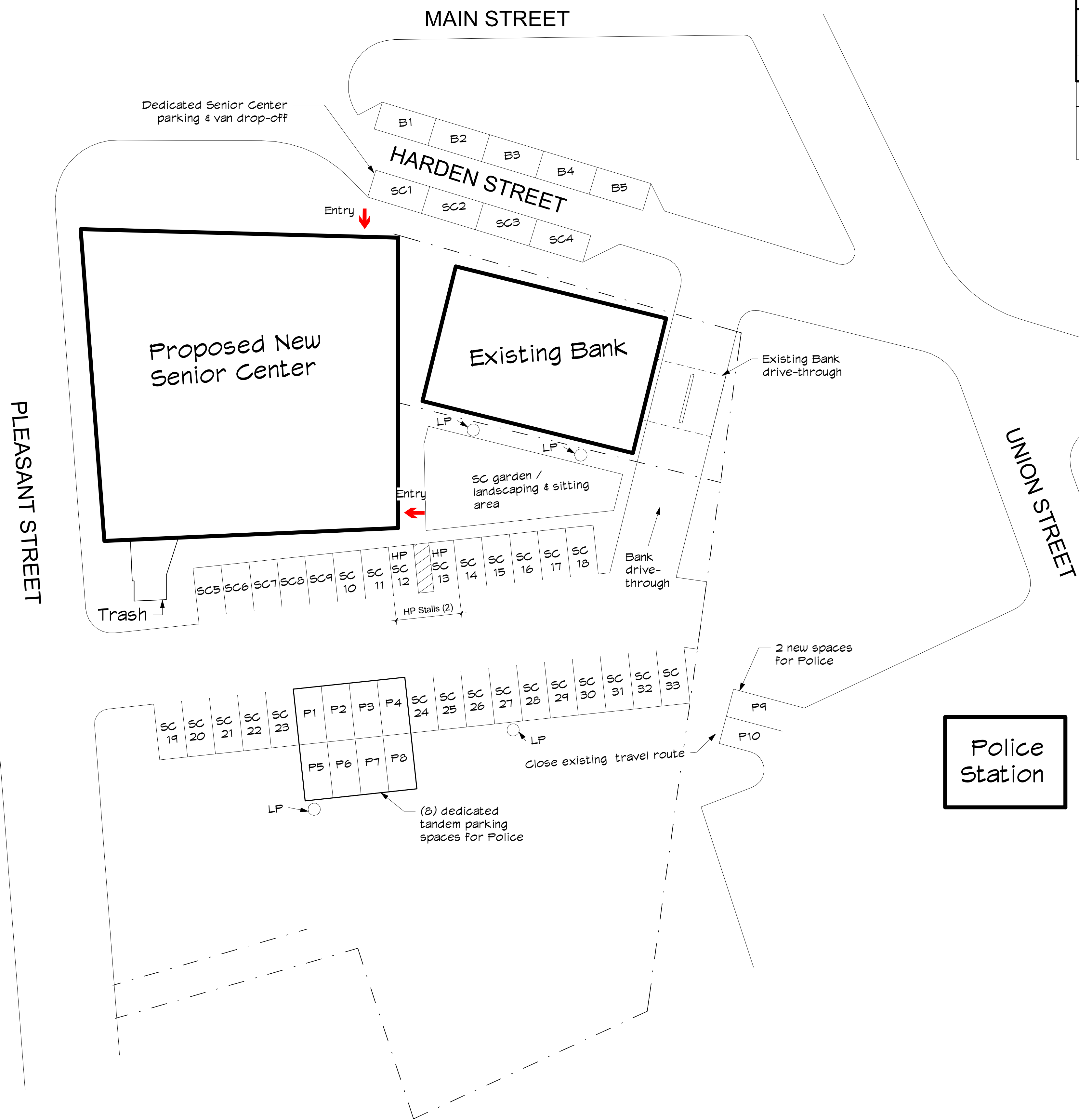
Existing Site Plan

Reading Senior Center Walgreens Test Fit

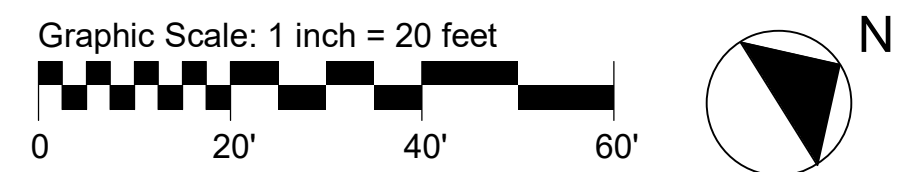
08/26/22

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Parking Count Table	
New Senior Center (on Site)	= 33 spaces (SC)
Existing Senior Center (Pleasant St.)	= 27 spaces (E)
Town Senior Center Spaces	= 60 spaces
Bank Spaces	= 5 spaces (B)
Available Public Spaces (on Main St. & Pleasant St. directly across from Senior Center)	= +/- 40 spaces (E)



① Site Plan
1" = 20'-0"





Town of Reading



**Financial Forum
September 21, 2022**





Financial Forum Agenda

September 21, 2022

FINCOM Opening Remarks – Chair Edward Ross

Financial Updates

Revenue Update – Sharon Angstrom

Free Cash Update – Sharon Angstrom

FY24+ Accommodated Costs – Sharon Angstrom

FY24+ Operating Budgets under Free Cash Scenarios – Sharon Angstrom

Discussion about Free Cash Usage in FY24 Budgets – FINCOM

FINCOM meeting on October – agenda items?

Approve Minutes

FINCOM Closing Remarks – Edward Ross



FY24 Revenues

Property Taxes	\$87.3 mil.	+3.4%
Baseline levy	\$84.52	
New Growth	\$.88	
Excluded debt	\$ 2.69	
Abate/Exempt	-\$ 0.82	
Other Local Rev.	\$ 8.5 mil.	+9.5%
State Aid	\$15.5 mil.	+2.5%
Other	\$ 4.3 mil.	+2.6%
Free Cash	TBD	



Projected FY22-24 Revenues

	FY22	FY23	FY24
Revenues (\$ millions)	104.44	108.74	112.88
<i>excluded debt impact</i>	2.79	2.73	2.69
	107.23	111.47	115.56
	3.3%	4.0%	3.7%
Free Cash used	3.40	3.03	TBD
Revenues + Free Cash	110.63	114.50	115.57
	4.5%	3.5%	.9%



Reserves – September 2022

Free Cash 6/30/22 (est.)	\$19,693,000
Nov 22 TM Article 4 (proposed)	(\$ 275,000)
Nov 22 TM Article 7 (proposed)	(\$ 2,200,000)
Nov 22 TM Article 18 (proposed)	<u>(\$ 414,000)</u>
Free Cash Remaining	\$16,804,000
General Stabilization Fund	\$ 1,718,224*
<u>FINCOM Reserves</u>	<u>\$ 200,000</u>
TOTAL	\$ 18.72 million

~16.2% of est. \$115.6mil. FY24 projected revenue

FINCOM 7% Minimum Reserves Policy



FY22 Revenues

Total \$2.6 million over estimates

Property Taxes	+\$418k
Building & Electrical Inspections	+\$226k
Meals Taxes	+\$156k
Penalties & Interest on Taxes	+\$152k
Motor Vehicle Excise taxes	+\$112k
Investment Income	+\$100k
*Smart Growth Incentive	+\$414k
*Local Assistance/Other State Rev.	+\$331k
*Delinquent taxes	+\$319k
*Medicaid Reimb. /FEMA	+\$249k
*Miscellaneous<\$100k each	+\$112k

mostly sustainable + \$1.16 million

**one-time payments + \$1.44 million*



FY22 Expenditures

Total \$2.48 million under budget

Employee Benefits	-\$707k	
Capital Expenses	-\$201k	
FINCOM Reserves	-\$150k	
Street Lighting	<u>-\$ 25k</u>	\$1.08 mill.
School Admin	-\$ 10k	
School Regular Day	<u>+\$193k</u>	\$1.20mill.
Town Salaries (<i>PS, PW, & Pub Safety vacancies</i>)	-\$788k	
Town Salaries (All Other Departments)	-\$ 76k	
Various Town Expense Accounts	<u>-\$339k</u>	\$1.20 mill.



5 Year Free Cash Analysis (millions)

	FY18	FY19	FY20	FY21	FY22 (est.)
Certified Beg. Bal. at 7/1	\$8.57	\$11.01	\$15.64	\$14.79	\$17.73
Revenue over budget	2.22	2.99	.93	1.69	2.61
Expenses under budget	2.54	3.20	2.94	3.03	2.48
Use of Free Cash	-1.90	-1.0	-4.13	-2.95	-3.67
Other Adj. to Free Cash	-.42	-.56	-.59	-1.2	.55
Certified Bal at 6/30	\$11.01	\$15.64	\$14.79	\$17.73	\$19.70



Projected FY23-25 Accommodated Costs (millions)

	FY23	FY24	Change	FY25	Change
Accommodated Costs	41.722	43.331	3.9%	43.465	.3%
Benefits	19.836	20.733	4.5%	21.674	4.5%
Capital & Debt	8.869	9.015	1.6%	7.562	-16.1%
Energy	2.045	2.105	2.9%	2.180	3.6%
Financial	1.092	1.112	1.8%	1.132	1.8%
Education - SPED OOD	5.580	5.803	4.0%	6.035	4.0%
Education-Voke	0.870	0.905	4.0%	1.141	26.1%
Misc & Comm Prior	3.430	3.508	2.3%	3.589	2.3%



Projected FY23-25 Benefits (millions)

Benefits	FY23	FY24	Change	FY25	Change
	19.835	20.733	4.5%	21.674	4.5%
Retirement	5.786	6.162	6.5%	6.562	6.5%
OPEB	0.500	0.500	0.0%	0.5000	0.0%
Worker Comp	0.385	0.395	2.6%	0.405	2.5%
Unemployment	0.075	0.080	6.7%	0.085	6.3%
Health/Life Ins.	11.920	12.397	4.0%	12.892	4.0%
Medicare/Soc Sec	1.040	1.065	2.5%	1.090	2.4%
Police/Fire Indem	0.130	0.135	3.8%	0.140	3.7%



Projected FY23-25 Capital + Debt (millions)

	FY23	FY24	Change	FY25	Change
Capital/Debt	8.870	9.015	1.6%	7.562	-16.11%
Capital	2.886	2.860	-0.9%	3.075	7.5%
Debt inside levy	3.246	3.465	6.8%	3.544	2.3%
Excluded Debt	2.733	2.686	-1.7%	1.279	-52.4%



FY24 Free Cash Usage

note that about ~\$700k is directed at 'extra' capital

FY24	
Free Cash	
Usage (\$mil)	Operating Budgets
2.20	2.25%
2.38	2.50%
2.56	2.75%
2.75	3.00%
2.92	3.25%
3.10	3.50%
3.28	3.75%
3.45	4.00%
3.64	4.25%

** Similar to FY23 levels*



FINCOM Meetings

Edward Ross, FINCOM Chair

FY24 Budget Public Meetings

September 21	Financial Forum I
October 19	Recommendations/Guidance for FY24 Budget Vote Items for November Town Meeting
October 26	Financial Forum II
November 2	Regular Meeting (if needed)
Dec 6, 7, 14 & 15	Attend Select Board
January 5, 12, 19 & 26	Attend School Committee
February 22	FINCOM: School budget
March 1	FINCOM: Town budgets
March 8 & 15	FINCOM: Vote Budgets & TM Articles
<i>January 31</i>	<i>Charter: School Committee Budget to Town Manager</i>
<i>February 28</i>	<i>Charter: Balanced TM Budget to FINCOM</i>

Financial Forum I: School Finance Overview for FY24

September 21, 2022





An Overview of FY24 Budget Development

Our approach to developing a responsive and responsible FY24 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**



FY24 Budget Goals

The FY24 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 FY24 and FY25.



FY24 Budget Objectives

How the FY24 Budget will reach our goals:

- Resources will be examined, outcomes analyzed, and investments made that produce outcomes in students' sense of belonging and in their academic performance while yielding future cost savings.
- Contractual obligations and federal/state mandates will be met.
- Funding sources will be braided and leveraged to maximize resources.
- Decisions will be data-driven, collaborative, transparent, and based on strategies and programs with proven results.
- Stakeholders will be engaged and their voices reflected in decisions made.



FY24 Budget Process - Employ a Multi-Year Vision

Scrutinize Data:

- Review FY22 end year status and assess FY23 projected expenses and fund balances
- Forecast student enrollment and class sizes and examine staffing schedules, structures, and ratios through FY26
- Project SPED accommodated costs through FY26
- Plan for expense trends, contractual obligations, and Federal/State mandates through FY26

Optimize Funding:

- Maximize all sources of funding -
 - Grant - Impact of MTRS from 240 Grant, \$81,000
 - Special Revenue Fund - Impact of Lunch Paras, \$42,000

Engage Stakeholders:

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



FY24 Budget Calendar

September and October

FY24 Meet with Finance Committee - Budget Process and Budget Guidelines

FY24 Review Budget Timeline, Process, and Discuss Priorities with Stakeholders

FY24 Forecast Enrollment and Class Sizes

FY24 Discuss Priorities and Resource Allocations with District Leadership Teams

November and December

FY24 Make Resource Allocation Decisions with District Leadership Teams

FY24 Present Preliminary Budget, Conduct Planning Sessions with School Committee

January

FY 24 Budget Presentation and Publication

FY 24 Budget Overview at School Committee Meetings

FY 24 Budget Questions & Responses Following Cost Center Presentations

FY 24 Budget Public Hearing

FY 24 Budget Discussion with and Vote by School Committee

**TOWN OF READING
FINANCE COMMITTEE
MEETING SCHEDULE - FY23**

2022

September 21st	Financial Forum I	RHMS Library	7:00 PM
October 19th	Vote on Recommendations/Guidance for FY24 Budget		7:00 PM
	Vote on Warrant Articles for November Subsequent Town Meeting		
October 26th	Financial Forum II	RMHS Library	7:00 PM
November 2nd	FINCOM: Regular Meeting (if needed)		
November 14th	Subsequent Town Meeting I	RMHS PAC	
November 17th	Subsequent Town Meeting II	RMHS PAC	
November 21st	Subsequent Town Meeting III	RMHS PAC	
November 28th	Subsequent Town Meeting IV	RMHS PAC	
December 6th	Town FY24 Budget Meeting with Select Board		
December 7th	Town FY24 Budget Meeting with Select Board		
December 13th	Town FY24 Budget Meeting with Select Board		
December 15th	School FY24 Budget Meeting with School Committee		

2023

January 5th	School FY24 Budget Night 1
January 12th	School FY24 Budget Night 2
January 19th	School Public Hearing: FY24 Budget
January 26th	School FY24 Budget Final Vote
February 22nd	FINCOM: School Budget
March 1st	FINCOM: Town Budgets
March 8th	FINCOM: Vote Budgets & TM Articles
March 15th	FINCOM: Vote Budgets & TM Articles (if needed)
April 4th	Town Election
April 25th	Annual Town Meeting begins
June 28th	FINCOM: Year-End Meeting



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

Finance Committee

Date: 2022-08-17

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

Members - Not Present:

Andrew Mclauchlan

Others Present:

Town Manager Fidel Maltez, Town Accountant Sharon Angstrom, Jackie McCarthy (remote)

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 7:00 pm.

Liaison Reports:

Geoffrey Coram attended the School Committee meeting. On the Subsequent Town Meeting warrant, the Facilities Director will be asking for \$500,000 for the Parker Middle School roof replacement, and a \$200,000 increase to deal with some glycol recycling at the High School to prevent pipes from freezing, as the cost to pump it out and back in has tripled in price since the pandemic.

Marianne Downing noted that the School Committee also reviewed an outline of the new Killam School, which will include moving RISE to Killam, and may increase the size of the building by 30%.

Mark Zarrow attended the Audit Committee meeting and noted that the auditing firm, Melanson, was happy with the results and complimentary of the Town Accountant. They will pick some areas to look at for the next audit.

Ed Ross also noted that the Audit Committee discussed the AAA bond rating. There are only approximately 30 communities that are AAA bond rated. He gave credit for the rating to the policies the Town has in place and their execution.

FY23 meeting schedule:

At the first Financial Forum on September 21st, Sean Cronin from the Department of Revenue Division of Local Standards will come to talk about municipal finance and school

building projects. The second Financial Forum is scheduled for October 26th. Subsequent Town Meeting begins November 14th. Finance Committee votes for the warrant articles will need to be completed by October 18th. Town Manager Fidel Maltez noted that the Select Board will preview the warrant articles on August 30th. Financial articles include: proposed amendments to the Capital Plan, proposed changes to the FY23 budget, and approval of payments of prior years' bills, though there are no previous bills currently. The Finance Committee will also be asked to vote and report on the \$2.2 million request for the Killam School, and a senior tax break that needs to be reapproved.

For the rest of the FY23 meeting schedule, Mr. Ross asked Mr. Maltez to put together a meeting schedule.

Communication Policy (Email, Website):

Committee members agreed that communications should go to the entire group. Currently, the finance@ci.reading.ma.us email goes to the Town Accountant. Most of the emails to that group are spam or requests for information, and relevant information is forwarded to the Committee. Ms. Borawski suggested that the Chair be added to the distribution list. Committee members also agreed that the personal contact information should be removed from the Liaison Assignment List, and that finance@ci.reading.ma.us should be included as the means of contacting the Committee.

Discuss Financial Forum Agenda:

The first Financial Forum is scheduled for September 21st. There will be a presentation on municipal finance by Sean Cronin from the Department of Revenue, which is anticipated to aid in the discussion of the second Financial Forum of capital projects and budgets.

Because Free Cash will not be certified until the beginning of October, Town Accountant Sharon Angstrom stated that she will provide an estimate at the Financial Forum. The Finance Committee will schedule a meeting after the Financial Forum to discuss and provide guidance.

Marianne Downing noted that the Reading ARPA Advisory Committee (RAAC) will provide an update on what ARPA funds have already been allocated, and what has been recommended.

Discuss Affordable Housing Trust Fund - from SB 7/19:

Town Manager Fidel Maltez provided an overview of the proposed Affordable Housing Trust Fund Committee. Reading adopted its own Affordable Housing Trust Fund prior to the state passing Chapter 44 Section 55. The proposed board would designate what the money in the trust fund would be used for.

Town Meeting would have to take three actions: repeal the Reading Trust Fund established in 2001, adopt M.G.L. Chapter 44 Section 55 to allow the Town to adopt the new Trust Fund, then create the bylaw. The proposed board will be comprised of five people with two-year terms, one member to be a Select Board member, and the other four members should have experience with housing and development. The governing body would be the Select Board.

There would be financial implications, such as an audit once a year, and articles may go before Town Meeting that would be sponsored by the Finance Committee. FINCOM members agreed it would be beneficial for a Finance Committee member to be one of the other four members.

Review Preliminary FY2024 Capital Plan:

Town Accountant Sharon Angstrom reviewed the Capital Plan. She noted some minor changes in the FY24 plan, which is currently at 5.5%, including an additional \$590,000. At November Town Meeting, there will be a request to move \$100,000 for replacement firearms for the Police Department up to FY23 using current year savings. Existing firearms will be sold and should yield a decent price, as they are needed for parts.

In the FY24 plan, borrowing is anticipated for \$500,000 for 10 years for the Parker MS roof, \$2 million 20 years for the water tower, \$1 million for 10 years for sustainability. Ms. Angstrom noted that she tries to adjust projects as best she can to keep the amount to 5%, but currently FY25 is projected at 5.37%.

Review FY2024 Budget Process:

Ms. Angstrom provided an overview of the budget process to date. She has reviewed the accommodated costs, such as benefits, and looked at the actual expenditures compared with Previous Town Manager Bob LeLacheur's projections, and found Mr. LeLacheur's projections to be very solid. When building a budget, there are a lot of unknowns, but FY24 is estimated at a 3% increase.

Discuss Current and Expiring Grants:

Town Accountant Sharon Angstrom shared the amounts of known grants:

- FY22: \$538,805
- FY23: \$2,373,806
- FY24: \$718,388 (Municipal Vulnerability Preparedness grant)

Mr. Maltez noted that there is a pending application for \$1 million for a senior center feasibility study for FY23.

Approve Meeting Minutes: July 27, 2022:

On a motion by Jeanne Borawski, and seconded by Joe Carnahan, the Finance Committee voted 8-0-0 to approve the meeting minutes of July 27th, 2022.

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

On a motion by Emily Sisson, and seconded by Jeanne Borawski, the Finance Committee voted 8-0-0 to adjourn at 9:12 pm.

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