



Town of Medway
FINANCE COMMITTEE

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Wednesday, January 9, 2019 – 7:00 PM
Sanford Hall, Town Hall
155 Village Street

Present: Frank Rossi, Chair; Todd Alessandri, Vice Chair; Ellen Hillery, Clerk; Jeff O' Neill, Michael Schrader, Sue Segarra. Present on speaker: Jim Sullivan

Absent: Rohith Ashok.

Others Present: Michael Boynton, Town Administrator; Carol Pratt, Finance Director, Cindy Sullivan, School Committee member, and Dennis Crowley, Selectmen

At 7:00 PM Chairman Rossi called the meeting to order

Jim Sullivan was present via conference call.

Town Accountant Carol Pratt was present to discuss the Parks and Recreation 2nd Quarter report that was distributed.

Ms. Pratt explained that Fincom has asked for this information before. It's sent along to Town Administrator Boynton and Parks and Rec every quarter for their review. Ms. Pratt explained this department is doing well collecting more revenue and capital purchasing taking place while still maintaining a healthy balance. There is a new Parks & Rec Director, with new programs and good ideas to come, and she is very encouraged by where they are going

Update on the budget process: Departments have completed their requests and the Town Administrator has made some modifications. They will meet with department heads to talk about changes they would like them to make or ask them to justify why they would like to see the items at a certain level or stay in the budget. Those conversations will be scheduled in the next 10 days and finalization of the budget to be sent to the Board of Selectmen for review early in February. Historically a copy is then given to FinCom.

Parks and Rec

Chairman Rossi reviewed the document presented that shows the income and expenses per field. Prior budgets did not split them apart. It was explained that the revenue on the turf fields are covering the costs to maintain the grass fields.

Ms. Pratt reviewed the format, the columns on the document and explained the rollovers at the end of each year are added with the revenues and combined. Members asked specific questions on expenses on each field. The Park and Rec Director's salary is split between multiple fields expense items.

Budget

Town Administrator Boynton spoke to the budget, the budget process and where he and the Board of Selectmen are in the process.

Board of Selectmen have set aside the 1st Saturday in March for budget review; if they receive the preliminary budget earlier, they will act accordingly. CIPC is going over capital requests and is to meet with the Selectmen to present their proposal.

Chairman Rossi handed out the memorandum approved at the last Board of Selectmen's meeting for the Local Initiative Program (L.I.P) for the 40B development at 39 Main Street, which the Board of Selectmen and the Developer signed.

The Town Administrator explained the project is a step towards getting to and over the 10% for affordable housing under the Safe Harbor Provision with a development that appears reasonable in scope and location. This project has many benefits to the Town of Medway to which we will receive \$2Million and with guaranteed protection that the units will remain as affordable housing. 190 units will be built in this project.

There will be \$1.2 Million in estimated sewer connection fees. \$100K in school related income (\$50K for parks and \$50K for a weight room at the High School). There will be \$1Million to help support the centralized water treatment center and \$100K to help pay for additional sewer capacity. There will also be an allowance for sidewalks from the development to the plaza, which still needs to be negotiated.

The Board of Selectmen voted to approve on Monday, the L.I.P process began and was sent to DHCD for approval. That approval process is approximately 60-90 days. At that time the 40B will go before ZBA for public hearings etc. Final approval is said to be by mid-August which is when Medway comes out of Safe Harbor. This also assumes Timber Crest and West Street will still be built.

This is a large project but manageable and beneficial for the future of the town.

Chairman's Report

Chairman Rossi explained a Committee has been formed called the Investment Advisory Committee. The committee consists of Chairman Rossi and two other gentlemen who are involved in the Financial Industry with Chairman Rossi. Treasurer Joanne Russo is also part of the Committee. The Town has asked this Committee to create Investment Policy Statements for the Stabilization Fund and the OPEB Trust Fund and is charged with managing those accounts to invest and hopefully produce more interest annually.

Chairman Rossi explained the stabilization fund is a rainy day fund in excess of \$3Million which can't be subject to any stock market risks and the OPEB is a 30-year long term fund. OPEB stands for Other Post-Employment Benefits. The state has many stipulations on how each fund can be invested. The actuarial assumptions were reviewed and it was determined that the Stabilization fund would be invested with the purchase of \$1Million in 6-, 12- and 18-month CD's at with an average interest rate of 2.7%. As they expire they will be rolled over continuously. The OPEB Trust is invested with Rockland Trust and it is anticipated that the actuarial firms will increase the assumed annual discounted rate of return from 3-3

1/4% to 7-8% based on the allocation, with 300k. being added to the fund each year (\$100K meal tax and \$200K from Exelon).

Liaison Reports

Chairman Rossi asked during budget season if members could reach out to their liaison committees and meet with them to enable the member to report back to this committee each month.

Schools – Mr. Alessandri and Mr. Sullivan met with the School Committee and explained there is an increase in their budget due to the increase in Substitute teachers and SPED transportation, which was a result of a transportation provider change.

CIPC – Ms. Segarra reported that CIPC has department heads coming in over the next few weeks and they are looking at Free Cash. There is nothing to report on Police and Fire.

DPW – Mr. Schrader stated he had not spoken with Mr. D’Amico, noting that he will follow up with him soon, he has a list of questions he would like to talk about.

CPC/Council on Aging/Board of Health – Ms. Hillery stated there was not a lot to report at this time.

Charter Committee – Mr. O’Neill reported that the Charter Review was completed and Town Meeting voted to approve. The State must now approve. If approved by 7/1/19, changes will take effect by 7/1/19, if not until after 7/1/19 the changes won’t take effect until 7/1/20.

Review of Meeting Minutes

Draft Minutes from November 19, 2018 were reviewed.

Mr. Alessandri made the motion to approve the minutes of November 19, 2018; Mr. O’Neill seconded. No discussion. VOTE: 5-0-1 Mr. Schrader abstained, as he was not present.

Next Meeting

The next regular meeting of the Finance Committee will be on Wednesday, February 13, 2019.

At 8:15 PM Mr. Alessandri moved to adjourn; Mr. Schrader seconded. No discussion. VOTE: 6-0-0.

*Respectfully submitted,
Wendy Harrington*