



Town of Medway
FINANCE COMMITTEE
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Wednesday, March 10, 2021 – 7:00 PM
Sanford Hall, Town Hall
155 Village Street

Present in person: Todd Alessandri, Chair; Frank Rossi, Vice Chair; Jeff O'Neill.

Participating Remotely: Ellen Hillery, Clerk; Brian Cowan; Will Lane; Michael Schrader; Sue Segarra; Jim Sullivan.

Staff in person: Carol Pratt, Finance Director.

Staff Participating Remotely: Michael Boynton, Town Manager;

Medway Public Schools staff in person: Armand Pires, Superintendent of Schools; Donald Aicardi, Director of Finance and Operations.

Others Participating Remotely: Lenny Mitchell, Chair, Capital Improvement Planning Committee (CIPC).

Others in person: Dennis Crowley, Select Board Member.

Call to Order

At 7:03 PM Chairman Alessandri called the meeting to order, noting that three members were present in the meeting room, and six members were participating remotely via teleconferencing. He shared the items on tonight's agenda. At this time, Chairman Alessandri announced that the School Budget presentation would take place before the Town Budget discussion. All votes will be by roll call as is customary with remote participation.

Medway Public Schools FY22 Budget Review

The committee reviewed a preliminary FY22 Schools Budget.

Present: Dr. Armand Pires, Superintendent of Schools; Don Aicardi, Director of Finance and Operations, Medway Public Schools.

Dr. Pires stated this was a preliminary budget as the School Committee will be taking an official vote next week. He noted that this will be a quick yet comprehensive review, and there will be time for questions.

Utilizing a PowerPoint presentation, Dr. Pires began with a Budget Development Strategy slide that identified budget parameters as well as supplemental short-term funding sources. He spoke briefly about budget strategies, COVID-19 related expenses and impacts, and strategic plan goals.

Continuing, Dr. Pires next addressed Student Enrollment and Staffing including a historical perspective and projections as well as FTE implications relative to projected class sizes. Staff retirements will be figured into these calculations once staff members make that decision.

At this time, Mr. Aicardi reported that many funding sources affect staffing and enrollment. He reviewed historical information of operating budgets looking back five years. Other revenue sources are used to supplement the budget, i.e., IDEA Grant, ACCEPT Tuition Waiver Credit, Community Ed Support, Circuit Breaker, School Choice, and Chapter 70 monies. Brief discussion followed.

Mr. Aicardi next reviewed the COVID-19 expenses that affected the budget preparation. These expenses were separated by fiscal year. A listing of outside revenue sources used to cover FY21 expenses was presented, specifically, MPS Technology Essentials Grant, CARES Grant, FEMA Reimbursement, several MPS CVRF Grants, and two MPS ESSER allotments for a total of \$1,730,796. Brief discussion followed.

Level Service Development Considerations were itemized. Particular notice was given to the fact that there is now a level expense for five years for electricity due to the efforts of the Town Manager and Assistant Town Manager which will help in budget preparations. Mr. Aicardi spoke briefly about the initial level service budget which did not include improvement initiatives, efficiencies or final estimates.

Dr. Pires explained that some things were discussed in detail with the School Committee such as retirements and early retirement incentives. He briefly reviewed other positions that were not filled due to staff reorganization. He emphasized that every effort was made to keep staff reductions as far away from the student experience as possible. He reported that some positions that were eliminated in FY21 are being restored for FY22. There are two other positions eliminated. The net change in FTE's from FY21 to FY22 was down 5.9 FTE.

Mr. Aicardi presented detailed information on Municipal Budget Support.

At this time, committee members were able to ask questions. Responding to a question from Chairman Alessandri, Dr. Pires stated that positions created relative to social distancing are considered long-term subs and will not be in next year's budget. If the State, however, asks school districts to do specific things that are not identified right now, those may be reconsidered based on situations at that time. He also used an example of grade 8 transitioning to grade 9 (middle school to high school) might require staff augmentation. If COVID-19 testing will be required, that will have an impact on the budget. Brief discussion followed. Dr. Pires noted that, ultimately, they want to create some resource availability in order to be reactive to unforeseen mandates.

Mr. Crowley reported that he and Chairman Alessandri have seen much of this information before as they have met with the Schools and have had many of their questions answered. Dr. Pires thanked the committee for their support.

Discussion concluded at 7:51 PM. Dr. Pires and Mr. Aicardi exited the meeting.

Initial Review of FY22 Budget

The committee reviewed a preliminary FY22 Town Budget Presentation.

Present: Michael Boynton, Town Manager; Carol Pratt, Finance Director; Dennis Crowley, Selectman.

Mr. Boynton spoke briefly about the budget process, decisions and offsets, and projected ending balances for the FY21 fiscal year. Responding to a question from the committee, he indicated that, due to the Exelon agreement, funds will be available to offset any shortage in the FY22 budget, and residents will not be taxed for any shortfall. The Select Board's commitment to the Stabilization Fund will continue as well.

Mr. Boynton spoke briefly about revenues and costs, and the Charter School assessment. Mr. Crowley pointed out that, while it looks as though more money is coming from the state, the associated calculations and requirements reflect a final result that is less than the previous year. It was noted that there are 17 years remaining on the present Exelon agreement, and then it will be renegotiated for another term.

Brief discussion followed on investments. Mr. Boynton noted that the budget is fairly consistent with last year's with only one additional staff member. He added that unanticipated COVID-19 impacts will naturally require consideration. Once the pandemic is past, some items can be returned to the budget such as Medway Family Day, contributions to the OPEB fund, and others. The biggest change in the budget will be related to the Enterprise Funds.

Chairman Alessandri noted that several departments are coming in to meet with the Finance Committee, and requested that committee members forward questions on other departments to the Town Manager.

Mr. O'Neill noted that there was a significant percentage increase on the cost of property liability insurance. Does the Town have an insurance broker? How is the cost determined? Mr. Boynton responded that we do not have the renewal figures yet so have used a high estimate on the potential cost. Brief discussion followed.

Mr. Rossi asked about the amount in Salary Reserve in the Unclassified category. Mr. Boynton responded that those monies are reserved for potential collective bargaining costs. Police and Fire have yet to reach settlement on their agreements. When settlement is reached, appropriate dollars will be transferred to the respective budgets.

At this time, Mr. Crowley spoke briefly about the Facilities Study, noting that \$2.8 million is in Capital Reserve but he would like to see more funds in there. He theorized that beefing up this fund to lower the borrowing amount as much as possible. Brief discussion followed. It was noted that the Finance Committee would like to have a more detailed discussion on the Facilities Study at a later date.

Mr. Boynton reported that the impending stimulus bill may allow for loss of revenue which has not been a part of previous federal funding. Previous reimbursements from federal funding for COVID-19 related expenses specifically did not cover loss of revenue.

Discussion concluded at 8:33 PM.

Review of CIPC FY22 Budget

The committee reviewed a document outlining the departmental requests and recommendations.

Present: Lenny Mitchell, Chair, Capital Improvement Planning Committee

Mr. Mitchell reported that there was \$2,025,127 free cash available and \$13,226,962 in requests. He briefly explained the process adopted by the Capital Improvement Planning Committee in that they first review the requests, and then meet with departments about those requests. If an item is related to public or staff safety, it gets a higher ranking. He briefly reviewed the list of requests. Mr. Mitchell spoke briefly about the CIPC recommendations, noting that some will be augmented with funds from specific departments or grant funding that has become available. Three Police Department projects were removed completely because other funding sources were identified. It was noted that some departmental requests are being pushed out for another year or until additional funding becomes available.

Chairman Alessandri asked if committee members had questions. Mr. Schrader asked about the listing for a water filtration system at a cost of over \$4 million. Mr. Boynton responded it was a placeholder item that was carried over and should not be considered a recommendation. Ms. Segarra asked about the equipment request from Information Services, specifically, whether it is for replacement of devices or some other expense. Mr. Boynton responded it is for the replacement of Chromebooks, laptops on a town-wide basis and equipment for Police and Fire Departments. Responding to a question from Mr. O'Neill, Mr. Boynton reported that the Senior Center building is in good shape, and Mr. Mitchell added that the Council on Aging submitted only one request.

Mr. O'Neill asked about the Oak Grove development. Mr. Boynton responded that the project is kind of stuck right now due to getting the parcels put together and having funds available. Mr. O'Neill expressed concern that the current plan may not be the one going forward and obstacles can rise. It was noted that the project is in the hands of the Redevelopment Authority. Brief discussion followed.

Mr. Rossi asked if any of the heating and ventilation costs qualify for reimbursement under the CARES Act. Ms. Pratt responded that the Town should know that soon. Mr. Crowley added that there are items on the CIPC list that might qualify. Ms. Pratt reported that FEMA is issuing new guidelines on expenses that are eligible for reimbursement.

Discussion concluded at 8:56 PM; Mr. Mitchell exited the meeting.

Miscellaneous

Regarding a Finance Committee representative to Master Plan Committee, Chairman Alessandri reported that he had forwarded the short version of the Master Plan, noting that there is a larger document if anyone was interested. The Master Plan Committee will have a broad membership. Is anyone interested in serving on this? There will be monthly committee meetings for an estimated 18 months followed by community engagement. Ms. Hillery and Mr. Sullivan expressed interest; it will be on next week's agenda to allow time for people to think about it more.

Due to the lateness of the hour, Chairman Alessandri opted to hold off on regular reports

Other Business:

Chairman Alessandri reminded members about Subcommittee Reports for the Town Report for Annual Town Meeting; reports are due to him by April 12. He suggested that any edits/revisions to last year's report be shared with the liaison department or group before publishing.

Upcoming Meetings

The committee will be meeting on March 17 and March 24 to meet with various departments. Members were asked to keep March 31 available in case additional review is necessary. Chairman Alessandri specified that Police, Fire and DPW were scheduled for March 17, suggesting that a brief discussion on Warrant articles could take place then. The Planning Department and Information Services (Technology) are scheduled for March 24.

The public hearing will take place on April 7 as well as a committee meeting to vote recommendations on the warrant articles. Chairman Alessandri added that the regular Finance Committee meeting scheduled for April 14 may be cancelled if all necessary work is completed beforehand.

Ms. Pratt exited the meeting at 9:05 PM.

Review/Approval of Meeting Minutes

The committee reviewed draft minutes from February 10, 2021. There was no January meeting.

Mr. Rossi made a motion to approve the minutes of February 10, 2021 as amended; Mr. O'Neill seconded. No discussion. ROLL CALL VOTE: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

Adjourn

At 9:13 PM Mr. O'Neill made a motion to adjourn; Mr. Rossi seconded. No discussion. ROLL CALL VOTE: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

*Respectfully submitted,
Jeanette Galliardt*