



Town of Medway
FINANCE COMMITTEE

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Wednesday, January 11, 2023 – 7:00 PM
Town Hall, Sanford Hall
155 Village Street

Present: Ellen Hillery, Clerk; Bruce Carbone; Chris Lagan; Will Lane; Sue Segarra.

Absent: Jim Sullivan, Chair; Brian Cowan, Vice Chair; Jeff O'Neill; Michael Schrader.

Staff Present: Michael Boynton, Town Manager; Carol Pratt, Finance Director.

Others Present: Dennis Crowley, Chair, Select Board; Todd Alessandri, Select Board; Cindy Sullivan, School Committee liaison to Finance Committee.

Call to Order

In the absence of the Chair and Vice Chair, Ms. Hillery, Clerk, called the meeting to order at 7:08 PM with five members present.

1.0 Public Comment:

There being no members of the public wishing to address the committee, Ms. Hillery closed the public comment period.

2.0 Discussion – FY24 Budget and ATM Calendar Review:

The following information was reviewed: (1) Budget Policy; (2) FY24 5-Year Projection; and (3) FY24 Budget and ATM Calendar.

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

Referring to the annual budget process, Town Manager Boynton stated that municipal departments have submitted their budget information and potential revenues have been reviewed. These budgets have been level-funded with the knowledge that there are some big ticket items coming up. For Medway Public Schools there are some added costs over what existed at this time last year, mostly due to increased enrollment. There are significantly more new students this year at Tri-County Regional Vocational Technical High School than in previous years. He spoke briefly about state aid, given the increased enrollment, as well as how Medway's portion of costs at the regional high school are impacted. There are more steps in the budget process with respect to the schools than for municipal departmental budgets.

On the municipal side, administration is looking at departmental requests. Mr. Boynton noted there are no substantial changes, adding that there are some non-union salaries that need to be reviewed as well

as any increases outlined in existing collective bargaining agreements. An area of need is police-fire communications on the dispatch side as calls have gone “off the charts” in recent months so the staffing level needs to be addressed. DPW would like to add a Water Quality Manager so that there is someone on board when the new treatment facility is up and running. The position requires specific licensing requirements; no one currently employed in Medway has those certifications.

The Town is waiting to learn about health insurance premium costs. Mr. Boynton noted that they may be able to back off on it a little. Some of the early numbers have been positive, and more information and data will be available in the next couple of months. For the moment, the outlook is good. The current budget had some “wiggle room” and they may be able to utilize some of that unused balance.

Ms. Tracy Stewart, a Lovering Street resident and member of the Tri County Regional Vocational High School Committee, reported that financial distribution letters for participating communities as to their FY24 responsibility will go out on March 20. Mr. Boynton cautioned that the ability to raise new revenue to help offset any increases in these costs is unknown. State aid may come through, but is not guaranteed. Collection of real estate taxes is the major way to secure revenue; increases are due to higher valuations based on real estate sales trends, much to the dismay of residents.

Discussion followed. It was noted that these are very preliminary figures at this time. Mr. Boynton complimented the department heads on submitting predominantly level-funded budgets and keeping costs down. He explained also that historical use of budget funds is considered, i.e., a line item that is never completely used so it may be decreased. He also cited an example of utility rates going up this past week which will affect overall heating costs across the board. There was no way that could have been anticipated when the budget was prepared a year ago. He spoke briefly about other big-ticket items that must be considered, i.e., four school roofs, expenses involved with the regional high school building, and the new water treatment facility. If the Town does not start including these things into the budget process, the associated costs will simply continue to increase as time goes on. For example, estimates for roof replacements (McGovern, for one) have increased significantly in the past year. Selectman Crowley estimated that the Town will need \$12M - \$14M for all four roofs in the next five years.

Regarding other projects, the Hanlon Field track also needs to be replaced, and it is hoped that the project can go out for bid this spring. Ultimately, it would be preferable to complete the work without taking the field offline. Selectman Crowley pointed out that a decision will need to be made whether to bond these projects or take the funds out of the stabilization fund. For fire engines, there is a long lead time, as long as 38 months, from order to receipt. The pumper will cost between \$800,000 and \$1 million.

General discussion followed on excise taxes, calculation rates, rate structures and related budget and revenue factors.

Ms. Stewart asked about the costs associated with the water treatment facility. Mr. Boynton responded that dollar figure of \$2.75 million came from the state. Ms. Pratt, Finance Director, pointed out that the Town can borrow the entire amount without going back to Town Meeting. Mr. Crowley emphasized that any monies that come in, borrowed or otherwise, can impact the rate structure. Mr. Boynton reported that the Town is due to receive its share of Build Back Better funding which will go through the EPA before it comes down to communities.

Regarding the impact to the Tri-County budget and building issues, that School Committee is going forward with an MSBA application for replacement of the 50-year-old school building. The potential cost for a new building is around \$300M. The Tri County School Committee will petition each participating school to sponsor a ballot question on whether that community will support a new building. Impact to Medway based on our enrollment could be a minimum of \$1.2M on an annual basis. Funding for regional schools is

not the same as funding schools located in the community. Discussion followed during which it was noted that MSBA refunds only 25% for a regional school.

Ms. Stewart reported that work was being done on creating a timeline on when the costs will be known so that budget planning can take place as early as possible. Classroom space and overall square footage is unknown, though the potential building footprint is expected to be somewhat smaller. If a new building is not approved, \$165M in repairs is necessary. Ms. Stewart also reported that there is a website dedicated to the new building discussion with all the meeting minutes posted. Mr. Boynton stressed the importance of including cost amounts in all discussions of new building vs. renovations. Discussion followed.

Based on a question from Ms. Segarra, it was noted that there are 85 Medway students at Tri-County, and 700-800 students in Medway High. Selectman Alessandri pointed out that there are eleven participating communities at Tri-County. If the vote is to go with renovations, that cost cannot be bonded over 30 years. In any event, the amounts typically going to local Medway schools will be impacted by increases relative to the regional school.

3.0 Other Business:

Chairman's Report – Due to the absence of the Chair, his report will be postponed.

Clerk's Report -- Ms. Hillery, speaking now as Clerk, stated she had no report.

Liaison Reports

Mr. Carbone stated he met briefly with the Affordable Housing Committee, noting that things are pretty quiet as Medway is above its required 10% affordable housing units.

Ms. Segarra reported she attending the School Budget Committee meeting where there was discussion about what schools need and struggles with increased costs. She emphasized that the quality of education in our community is directly related to real estate values.

4.0 Review /Approval of meeting minutes

The committee reviewed the following information: Draft meeting minutes from November 14, 2022 and December 1, 2022.

Mr. Lagan made a motion to approve the November 14, 2022 minutes, as drafted; Mr. Carbone seconded. No discussion. VOTE: 4-0-1 (Segarra, abstain).

Ms. Segarra made a motion to approve the December 1, 2022 minutes, as drafted; Mr. Lane seconded. No discussion. VOTE: 4-0-1 (Lagan, abstain).

5.0 Upcoming Meetings:

The next regular meeting will be on Wednesday, February 8. There was brief discussion of dates included on budget calendar, interviews with department heads, public hearing, etc. Selectman Alessandri noted that the Select Board's Saturday budget workshop will be March 4.

6.0 Adjourn

At 8:14 PM Mr. Carbone made a motion to adjourn; Mr. Lagan seconded. No discussion. VOTE: 5-0-0.

*Respectfully submitted,
Jeanette Galliardt
Night Board Secretary*