



Town of Medway

FINANCE COMMITTEE

155 Village Street
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Wednesday, July 12, 2023 – 7:00 PM
Town Hall, Sanford Hall
155 Village Street

Members Present: Brian Cowan, Vice Chair; Ellen Hillery, Clerk; Bruce Carbone; Will Lane; Michael Schrader; Sue Segarra.

Members Participating Remotely: Jim Sullivan, Chair; Nick Fair.

Absent: Chris Lagan.

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

Others Present: Cindy Sullivan, School Committee Liaison to Finance Committee.

Call to Order

At 7:01 PM Vice Chair Cowan called the meeting to order with six members present in the meeting room. Member Chris Lagan was absent; new member Nick Fair and Chairman Sullivan were participating remotely. It is noted that due to members participating remotely, all votes will be Roll Call Votes.

1.0 Update on Finance Committee Membership

At this time, Chairman Sullivan announced that members Ellen Hillery and Will Lane were reappointed to the Finance Committee while Mr. Fair was newly appointed, each for an appointment term to expire in 2026.

2.0 Reorganization of Finance Committee

As July 1 was the start of the new fiscal year, FY24, the Finance Committee will reorganize for the year.

After brief discussion, **Chairman Sullivan nominated Mr. Cowan to serve as Chair for the coming year; Ms. Hillery seconded. No discussion. ROLL CALL VOTE: 8-0-0 (Carbone, aye; Cowan, aye; Fair, aye; Hillery, aye; Lane, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

At this time, Chairman Cowan asked for nominations for Vice Chair and Clerk.

Mr. Schrader nominated Ms. Segarra to serve as Vice Chair for the coming year; Mr. Carbone seconded. No discussion. ROLL CALL VOTE: 8-0-0 (Carbone, aye; Cowan, aye; Fair, aye; Hillery, aye; Lane, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

Ms. Hillery stated she was willing to continue as Clerk. **Chairman Cowan nominated Ms. Hillery to continue on as Clerk; Ms. Segarra seconded. No discussion. ROLL CALL VOTE: 8-0-0 (Carbone, aye; Cowan, aye; Fair, aye; Hillery, aye; Lane, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Chairman Cowan asked Mr. Fair to officially introduce himself. Mr. Fair gave a brief review of his work experience, noting he has lived in Medway with his family for six years. He added that he has done a lot of municipal work, including serving on Medway's Capital Improvement Planning Committee last year.

3.0 Budget Transfer Requests

The committee reviewed the following information: (1) Transfer Requests dated 5-3-2023 and 7-6-2023, respectively; (2) Presentation on Historical Commission Traffic Signal Box Project; and (3) Historical Commission Wrap Quote dated April 1, 2023.

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

a. From Health Insurance to Unemployment Expenses and Historical Commission -- \$75,000 and \$5,000 respectively

Mr. Boynton clarified that no money is being taken from the Finance Committee Reserve Fund. The first transfer addresses an anticipated shortage in the Unemployment Expenses budget; people are leaving the organization for one reason or another, many as layoffs from the school side. In order to pay the final bills for the year, this transfer is necessary. Mr. Boynton reported that he will review the current year's budget going forward to stay on top of these expenses month-by-month.

For the Historical Commission transfer request, the funds are needed to finalize a project on decorating electrical boxes which involves adhering the designs to the boxes rather than painting the designs on.

b. From Other Insurance to Legal Expenses -- \$12,326.50

Mr. Boynton reported that the increased costs involved a legal challenge to a decision of the Planning and Economic Development Board. He will take another look at the Legal budget and see if it needs modification going forward; it has been level-funded for several years. He theorized that one option could be that funds could come from the Labor Counsel budget which has not used its allocation for a few years. He clarified that these costs do not involve expenses related to Medway Grid.

Brief discussion followed.

Mr. Schrader made a motion to approve both transfer requests, as submitted, specifically the transfer of (1) \$75,000 from Health Insurance to Unemployment Expenses and \$5,000 from Health Insurance to Historical Commission, and (2) \$12,326.50 from Other Insurance to Legal Expenses; Mr. Sullivan seconded. No discussion. ROLL CALL VOTE: 8-0-0 (Carbone, aye; Cowan, aye; Fair, aye; Hillery, aye; Lane, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

It was noted the budget request forms have been revised and all members in attendance must now sign. Ms. Hillery signed the forms and sent them around the table for members to sign. When finished, the forms were handed over to Ms. Pratt.

4.0 Budget Updates: FY23 and FY24

Mr. Boynton reported there were just a few updates. The state budget is not finished which means no

final state aid figure available. A lot of work to be done between the House and the Senate. Regarding the transfer requests, these are the most immediate needs. The building department has received a slap from the state relative to weights and measures not having been performed in 2021 by that individual. An employee within the department will now take on that responsibility, but there may need to be a salary adjustment given the extra responsibilities for weights and measures.

A positive outlook is that department heads kept a close eye on their budgets and were able to turn money back at the end of the fiscal year. A big-ticket item going forward is that the Medway Grid project (battery storage facility) was approved by the Department of Public Utilities this week. This project does not have to comply with local zoning bylaws, but the DPU incorporated many of the components of the Host Community Agreement into their approval. Conservation Commission does need to review and grant permissions for those matters under its jurisdiction. There are other departments that will need to weigh in, though no issues are anticipated. Administration will be working on a PILOT agreement (Payment in Lieu of Taxes) which outlines payments over a defined period of time. Mr. Boynton briefly reviewed all the factors that are taken in consideration when creating the formula for the PILOT. If a PILOT agreement is not approved, the company can file for an abatement every year to dispute the tax assessment for the assessed value. Ultimately, the agreement protects both the company and the Town. Mr. Boynton noted that he does not anticipate revenue from this facility until FY2025.

Tri-County building project priced at \$280 million is now going before MSBA with a vote of the residents on October 24 in a single ballot question. If the overall district votes in favor, all communities must pay. Only \$83 million is funded through reimbursement. The rest is funded by the district through the participating schools over 30 years. For Medway, it could be a million a year. Annual payments are now based on the number of participating students, and the construction payment would be on top of that. Mr. Boynton noted that construction cost has risen dramatically and is now over \$800 per square foot. The new school will have a student population cap of 1,000, and only 900 are now enrolled. Medway has 9% of the overall enrollment.

Brief discussion followed on potential budget gap for the schools, levy growth, consideration of override and other factors that might be involved in fiscal review. Cindy – there are still repairs, what is the cost associated with those? Mike -- For simple repairs, my understanding is that they would still have to bond it which would require district approval. Discussion continued.

Ms. Cindy Sullivan, School Committee Liaison to the Finance Committee reported that Selectman Trindade wants to have a Tri-Board meeting in August or September to discuss Tri-County Regional Vocational Technical High School.

5.0 Approval of FY24 Meeting Schedule

No changes were suggested at this time. The meeting date for the Finance Committee is defined by the Town Charter as the second Wednesday of each month and are as follows:

August 9, 2023; September 13, 2023; October 11, 2023; November 8, 2023; December 13, 2023, January 10, 2024; February 14, 2024; March 13, 2024; April 10, 2024; May 8, 2024; and June 12, 2024

6.0 FY24 Liaison Assignments

Chairman Cowan asked everyone to consider their current assignments, suggesting that people may want to make changes or stay where they are. The assignments need to be modified to replace Mr. O'Neill

and add Mr. Fair. The list was reviewed; minor changes were made. Chairman Cowan will check with Mr. Lagan to confirm that he wished to keep his current assignment before publishing the list.

7.0. Other Business

Review/Approval of meeting minutes

The committee reviewed draft minutes from May 8, 2023.

Ms. Hillery made a motion to approve the May 8, 2023 minutes, as amended; Mr. Carbone seconded. No discussion. ROLL CALL VOTE: 5-0-3 (Carbone, aye; Cowan, aye; Fair, abstain; Hillery, aye; Lane, aye; Schrader, abstain; Segarra, abstain; Sullivan, aye).

8.0 Upcoming Meetings

Chairman Cowan reiterated that it is likely the August 9 meeting will be cancelled. The next regular meeting after that will be held in Sanford Hall at 7:00 PM on September 13.

Adjourn

At 8:26 PM Mr. Schrader made a motion to adjourn; Ms. Segarra seconded. No discussion. ROLL CALL VOTE: 8-0-0 (Carbone, aye; Cowan, aye; Fair, aye; Hillery, aye; Lane, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

*Respectfully submitted,
Jeanette Galliardt
Night Board Secretary*