



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
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Minutes of the Finance Committee

Thursday, February 23, 2023 7:00 p.m. Town Hall, Room 7, Hybrid for Public

<https://us06web.zoom.us/j/84788068136?pwd=alU3eEFCMFZRRFRBODUyeFUySFVsZz09>

Meeting ID: 847 8806 8136 Passcode: 711232 Dial In +1 646 558 8656

MEMBERS PRESENT: Sarah Mellish, Chair, Andy Oldeman, Mory Creighton, Tom Parkins, Dean Nahatis, Peter Twining, and Mike Pratt

SELECT BOARD PRESENT: Becky Jaques, Ann Harrison, Cathy Bilotta, and John Round

STAFF PRESENT: Greg Federspiel, Town Administrator, and Gail Hunter, Finance Committee Administrator

Call to Order: Ms. Mellish called the meeting to order at 7:02

FY24 Budget Review Operating Budget Final Review

Ms. Mellish asked about the Parks & Recreation Celebration Budget specifically referencing the \$1,000 for memorials. Mr. Federspiel clarified that the \$1,000 was part of the \$14K budget.

Mr. Oldeman moved to approve the Parks & Recreation Celebration FY24 Budget in the amount of \$14,000.00; Mr. Nahatis seconded the motion. The motion passed unanimously.

The Committee next reviewed the Treasurer's Budget.

Mr. Oldeman moved to approve the Treasurer's FY24 salaries and expenses budget of \$200,178.00; Mr. Parkins seconded the motion. The motion passed unanimously.

Ms. Mainville stated that the Town is insured through MIAA and has a General Liability deductible of \$7,500.00.

The Committee reviewed Pensions, Group Health Insurance, Worker's Compensation, Fire and Liability Insurance, Unemployment Insurance, FICA, and Medicare. Group Health Insurance increased \$35K and FICA increased \$7K. There was additional discussion around negotiating Insurance rates by increasing the deductible. Ms. Mainville stated that the Town met with MIAA annually to review and discuss premiums, deductible and coverage.

Mr. Oldeman moved to approve the Treasurer's FY24 Budget for pensions, group health insurance, worker's compensation, FICA, and Medicare in the amount of \$3,461,403.00, Mr. Nahatis seconded the motion. The motion passed unanimously.

The Board then discussed the Police Department budget.

Mr. Federspiel explained that there was confusion between Chief Fitzgerald proposal for coverage of the Department and Mr. Federspiel and Ms. Mainville understanding of staffing needs. The confusion was around the placement of the SRO who was counted by Mr. Federspiel as part of the Chief's organizational chart but not included with the Chief's count. To correct the misunderstanding requires the Police Department adding an additional officer to fully cover all shifts.

Mr. Federspiel stated that the Police Department budget was now adding \$240K while eliminating \$108K from the Reserve Officers line and \$7K from the department overtime budget for a total of \$125K.

The Committee discussed the misunderstanding and concluded that the budget for \$2,033,915 would be approved.

Mr. Oldeman moved to approve the Police Department FY24 Budget in the amount \$2,033,915, Mr. Parkins seconded the motion. The motion passed unanimously.

Fire Department

The Committee expressed concern with the Fire Department staffing and requested clarification of the current status. Mr. Federspiel stated that there are two firefighters at the Fire Academy who will complete their training in July. These firefighters are replacing the two officers who retired. One of the two floaters hired last year has resigned. Mr. Federspiel agrees that the Department needs to expand recruitment efforts and work at retention of trained personnel.

Mr. Federspiel stated that in Public Safety there is the chance of injury. That happened last year when an officer was injured and out for several months. That injury impacted the overtime budget and is not something that can be planned for. In Public Safety there is no choice around reducing staff. Mr. Federspiel stated that for FY23 the salary budget line will cover the majority of overtime due to delays in hiring.

Mr. Federspiel stated by adding 2 Fire Fighter Paramedics the overtime budget was reduced from \$140K to \$30K, the net increase in the new budget is \$69K. Stipend for 3 Call Fire Fighters \$5K each. The Fire Department would then have 16 Fire Fighter Paramedics, if one person was out the Department coverage would be three. Following discussion, the Committee agreed to approve the Fire Department budget in the amount of \$1,676,075.

Mr. Twining moved to approve the Fire Department FY24 Budget in the amount of \$1,676,075; Mr. Creighton seconded the motion. The motion passed with 6 affirmative votes and one no vote.

At the conclusion of the Committee's discussion on Police and Fire Department budgets Mr. Creighton proposed the Finance Committee and the Select Board meet quarterly to review the Police and Fire department budgets.

Ms. Mellish indicated that one remaining operating budget to approve is emergency management at \$6,250.

Mr. Oldeman moved to approve the Emergency Management FY24 Budget of \$6,250; Mr. Parkins seconded the motion. The motion passed unanimously.

Ms. Mellish confirmed that the amount the Committee needed to approve for Debt was \$895,078, Ms. Mainville confirmed that was correct. Mr. Federspiel stated that the Town would be debt free in 2033. Adding that over the past 9 years Debt had dropped approximately \$1M, which has allowed the Town to pay for capital improvements with cash.

Mr. Creighton moved to approve the Debt FY24 Budget of \$895,078; Mr. Oldeman seconded the motion. The motion passed unanimously.

FY24 Budget Review Capital Budget Final Review

Mr. Nahatis stated that he would approve the use of excess levy capacity due to the 3.5% increase in the District budget. However, he would like to see the Town budget remain within 2.5%. He suggested achieving this goal by reducing the DPW capital from \$4M to \$3M as has been the case over the past few years.

Mr. Federspiel pointed out that the Town is at 2.5% and it is the District budget that is pushing the increase above 2.5% and into the excess levy capacity usage and a tax increase of 4.0%. Mr. Pratt noted that it was everything together that is pushing the tax rate up.

Mr. Federspiel stated that the projected budget is using approximately \$457K to pay the MERSD budget with the remainder of the increase coming out of reserve funds. Mr. Pratt proposed dropping Capital by \$400K and asked Mr. Federspiel if that would keep the tax increase at 2.5%. Mr. Federspiel stated that feels like a step backward, noting that when he came to the Town the Capital expenditures were not coming out of taxation which is now the case.

Ms. Mellish recommended taking the \$350K allocated for the design of the DPW building out of the budget, indicating that the Town does not yet have the facilities report and does not know where the proposed DPW building will be going. Mr. Federspiel agreed that could come out of the budget. Following a brief discussion:

Mr. Pratt moved to take the DPW Building Design out of the FY24 Capital Budget for DPW, Mr. Oldeman seconded the motion. The motion passed unanimously.

Mr. Twining moved to approve the DPW FY24 Capital Budget in the amount of \$3,556,300; Mr. Pratt seconded the motion. The motion passed unanimously.

Land Use Management

The first request is in relationship to MBTA Zoning to fund a grant for analysis as part of the work of the Task Force.

Mr. Twining moved to approve the Land Use Management Grant in the FY24 Capital Budget in the amount of \$37,500; Mr. Oldeman seconded the motion. The motion passed with 6 members voting affirmatively and 1 no vote.

The second request is to support the Town Hall computer upgrades and the work of the Water Resource Task Force to protect, conserve, and educate the Community around water conservation issues.

Mr. Oldeman moved to approve the Town Hall and Water Resource Task Force efforts on behalf of the Town in the FY24 Capital Budget in the amount of \$88K. Mr. Parkins seconded the motion. The motion passed unanimously.

The Historic District Commission is applying for support to assist in identifying and supporting the designation of Historic buildings in Town.

Mr. Oldeman moved to approve the Historic District Commissions request in the FY24 Capital Budget in the amount of \$15K; Mr. Nahatis seconded the motion. The motion passed unanimously.

Other Grant Requests

Mr. Twining moved to approve the Town Clerk's request in the FY24 Capital Budget in the amount of \$10K to upgrade voting booth tabulators; Mr. Creighton seconded the motion. The motion passed unanimously.

Mr. Pratt moved to approve the Council on Aging request in the FY24 Capital Budget in the amount of \$25K as a grant match for replacement of two vans; Mr. Oldeman seconded the motion. The motion passed unanimously.

Water and Sewer Department

The Committee asked Mr. Desrosiers if DPW had the results of the pipe scoping. There are some initial results, but they are not as clear as was the case for School Street. The process will be the same cleaning and lining. Once the work is completed there is an anticipated 50-year life span of the pipe work.

Mr. Creighton moved to approve the Water and Sewer Department request in the FY24 Capital Budget in the amount of \$2,075,000; Mr. Oldeman seconded the motion. The motion passed unanimously.

Mr. Creighton moved to approve Sewer Plant Upgrades in the FY24 Capital Budget in the amount of \$303,000; Mr. Oldeman seconded the motion. The motion passed unanimously.

April 3, 2023 Town Meeting Warrant Articles

Mr. Twining moved to approve \$289,300 in the FY24 Budget to support the OPEB fund; Mr. Creighton seconded the motion. The motion passed unanimously.

Mr. Parkins moved to approve \$1,310.00 for the Officer in Command in the FY24 Budget; Mr. Nahatis seconded the motion. The motion passed unanimously.

FY24 Budget Review Revenue & Funding Sources

The Town's revenue and funding is \$2,849,000 from taxation.

Finance Committee Annual Report Content Suggestions – Ms. Mellish is working on the report and will have a document for the Committee to review.

- **Town Administrator Update** – Mr. Federspiel had no update this evening.

- **Updates from Liaisons if any** – Mr. Oldeman stated that CPC had updated their information eliminating the antique fire truck which was not acquired.

- **Review Meeting Minutes** – Meeting minutes

Mr. Oldeman moved to approve the meeting minutes of January 19, 2023, January 26, 2023, and February 2, 2023. Mr. Parkins seconded the motion. The motion passed with Mr. Twining abstaining from approving the minutes of January 19, 2023 and January 26, 2023 but approving February 2, 2023.

- **Next Meeting Subject Matter**
 - March 2, 2022 – Annual Report, Multi-year Projections and Warrant Articles

- **Other matters, as may not have been reasonably anticipated by the Chair.** There were no additional matters to discuss this evening.

Mr. Twining moved to adjourn the Finance Committee meeting; Mr. Oldeman seconded the motion. The motion passed unanimously.