



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
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Minutes of the Finance Committee

Thursday, March 2, 2023 7:00 p.m. Town Hall, Room 7, Hybrid Meeting

<https://us06web.zoom.us/j/85143589425?pwd=V3VldWlFM0dqdWNnWERoQVRpYm5oQT09>

Meeting ID: 851 4358 9425 Passcode: 475965 Dial in: 646.558.8656

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

Member Not Present: Mike Pratt

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

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

Call to Order: Ms. Mellish called the meeting to order at 7:00

FY24 Budget Review: CPC Revision for Vote

Ms. Mellish explained that the Committee was revoting the CPC budget due to the elimination of the antique fire truck and an adjustment to the Masconomo sign from \$5K to \$3,500.00.

Mr. Oldeman moved to approve the CPC budget in the amount of \$436,600.00; Mr. Twining seconded the motion. The motion passed unanimously.

FY24 Budget Review: 5-year Projections and Recap Tax Rate and Reserves

Ms. Mellish stated that the Committee would review the 5-year projections this evening because when she looked at them, she was concerned. The Committee needs to decide whether to pay OPEB out of taxation and increase the tax rate to 2.63% and decrease the amount from reserves which will increase the future tax rate. Next year the Committee was anticipating taking money out of the excess levy capacity which would increase the tax rate from approximately to \$749K from \$411K resulting in a 4.5% tax increase.

Mr. Federspiel stated that he and Ms. Mainville had assumed that the budget would pay OPEB out of taxation. Ms. Mellish stated she does not see where the fund balance was decreased. Ms. Mainville clarified that with OPEB paid out of taxations and Fire Department over time taken out there was and increase projected in the fund balance from 9.2% to 9.7%.

Ms. Mellish disagreed, stating that prior to changing OPEB the tax rate was at 2% or slightly higher but it was under 2.5% with the changes it then went up to 2.63%. Ms. Mainville stated there were two updates, one a capital item and two the change in OPEB to taxation bringing the tax rate up to 2.94%.

Mr. Federspiel stated the 2.94% tax rate is absorbing the MERSD increase of 5.72% and only increasing taxation by 2.9%. The budget does reflect an increase in local receipts of \$300K. Ms. Mellish asked what the impact would be if the Fire Department overtime was paid out of the Finance Committee reserves. Mr. Federspiel replied that will not impact the tax rate, but the fund balance will be to 10%.

Ms. Mellish asked how that would impact projections because presumably there would be more in the reserve fund to use for capital; meaning that taxation could be a little less. She asked what the tax rate projection would be for next year. Mr. Federspiel replied that using the levy capacity the tax rate could be over 3%.

Ms. Mellish concluded she is more comfortable with the 2.94% increase this year and using the reserve funds next year, Mr. Federspiel agreed. The Committee discussed MERSD needs going forward. Mr. Creighton stated this year is a correction and the District will work to a 3.5% increase next year with the assessment impacting the final amount owed by each Town.

Ms. Mellish noted that she had added retained earnings from Water & Sewer and the Fire Truck fund to the Finance Committee report to indicate to the Town that there is cash available. Mr. Federspiel stated that those funds are designated. Ms. Mellish agreed but it is important to inform the residents. Ms. Mellish stated she paused when she realized that the fund balance for the next year would go below 10%.

The Committee discussed the possibility of Essex not approving the District budget and what would happen. The District could return with a revised budget and both towns would be required to hold town meetings to address the changes to the District budget. If the budget was not passed the District would run on the budget from the previous year.

Mr. Creighton moved to approve paying OPEB out of taxation for FY24 rather than the fund balance; Mr. Twining moved to approve the motion. The motion passed unanimously.

Mr. Oldeman asked for clarification around how historically OPEB was paid. Mr. Federspiel stated OPEB was usually paid out of the fund balance.

FY24 Budget Review Revenue: Other Outstanding Issues – There were no additional budget issues to review this evening.

April 3, 2023 Town Meeting Warrant Articles

Article 1 – no position

Article 2 – no position

Mr. Twining moved that the Committee take no position of Article 1 and 2; Mr. Oldeman seconded the motion. The motion passed unanimously.

Article 3 – recommend approval.

Mr. Oldeman moved that the Committee approve Article 3; Mr. Creighton seconded the motion. The motion passed unanimously.

Article 4 – Article 5 – and Article 6 – recommend approval.

Mr. Oldeman moved that the Committee approved Articles 4, 5, and 6 for a total expenditure of \$15,469,000.00; Mr. Creighton seconded the motion. The motion passed unanimously.

Article 7 – recommend approval.

Mr. Twining moved that the Committee approve Article 7 for replacing Hyland and Brook Street fields with MERSD assuming the District's debt in FY25; Mr. Oldeman seconded the motion. The motion passed unanimously.

Article 8 – recommend approval.

Mr. Oldeman moved to approve the CPC FY24 allocation of funds; Mr. Parkins seconded the motion. The motion passed unanimously.

Article 9 – recommend funding OPEB out of taxation.

Mr. Oldeman moved to approve Article 9 paying OPEB out of taxation for FY24; Mr. Creighton moved to approve the motion. The motion passed unanimously.

Article 10 – recommend approval.

Mr. Oldeman moved to approve Article 10 out of the BOH Revolving Fund; Mr. Parkins seconded the motion. The motion passed unanimously.

Article 11 – recommend approval.

Mr. Oldeman moved to approve Article 11 in the amount of \$375K fees collected for Parks & Recreations; Mr. Parking seconded the motion. The motion passed unanimously.

Article 12 – recommend approval.

Mr. Creighton moved to approve the Finance Committee Reserve Fund use of \$95K to pay the Fire Department overtime expense; Mr. Nahatis seconded the motion. The motion passed unanimously.

Article 13 – recommend approval.

Mr. Oldeman moved to approve the previous year's overtime for Officer in Command, Fire Department, Mr. Twining seconded the motion. The motion passed unanimously.

Article 14 – no position

Mr. Oldeman moved that the Finance Committee took no position on Town Hall being open to register voters prior to elections; Mr. Creighton seconded the motion. The motion passed unanimously.

Article 15 – recommend approval.

Mr. Oldeman moved that the Finance Committee approve the increase in parking fines from \$25 to \$50; Mr. Parkins seconded the motion. The motion passed unanimously.

Article 16 – no position

Mr. Twining moved that the Finance Committee take no position on Lodging and Boarding House; Mr. Creighton seconded the motion. The motion passed unanimously.

Article 17 – was passed over.

Article 18 – recommend approval.

Mr. Twining moved that the Finance Committee approved allowing the Town to pursue savings for electrical services; Mr. Creighton seconded the motion. The motion passed unanimously.

Article 19 – recommend approval.

Mr. Oldeman moved that the Finance Committee approved allowing the Town to pursue betterments in the water and sewer service; Mr. Twining seconded the motion. The motion passed unanimously.

Articles 20, 21, 22, and 23 – no position

Mr. Oldeman moved that the Finance Committee take no position on the Zoning By-Law changes; Mr. Twining seconded the motion. The motion passed unanimously.

Article 24 – Take a position on the Floor.

Mr. Oldeman moved that the Finance Committee take a position on increasing the Budget on the floor; Mr. Creighton seconded the motion. The motion passed unanimously.

Finance Committee Annual Report

Ms. Mellish stated that the Committee’s report is on Share/Point and if anyone has additional edits to please make them in track changes on Share/Point.

Mr. Oldeman moved to approve the Chair edit the Finance Committee Annual report; Mr. Twining seconded the motion. The motion passed unanimously.

Finance Committee Reserve Requests

Amount requested -- \$9,580 to cover Maternity leave that had not been anticipated in the budget.

Amount requested – \$4,000 to cover additional meetings than originally anticipated.

Amount requested – \$5,411.81 to cover the cost of repairing fire engine pumper repairs.

Mr. Oldeman moved to approve the Reserve Fund Requests; Mr. Nahatis seconded the motion. The motion passed unanimously.

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

Updates from Liaisons if any – There were no updates this evening.

Review Meeting Minutes – There were no minutes to review this evening.

Next Meeting Subject Matter – Annual Town Meeting, Committee will meet in the Project Room at the Memorial School prior to the meeting.

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

Adjourn:

Mr. Oldeman moved to adjourn the meeting; Mr. Nahatis seconded the motion. The motion passed unanimously,