



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
Manchester-by-the-Sea, Massachusetts 01944-1399
Telephone (978) 526-6405 FAX (978) 526-2001

Minutes of the Finance Committee

January 8, 2025

7:00 p.m.

Room 5 and on Zoom

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

MEMBERS ONLINE: Andy Oldeman

MEMBERS NOT PRESENT: N/A

STAFF PRESENT: Town Administrator, Greg Federspiel, Town Accountant, Andrea Mainville

SELECT BOARD MEMBER PRESENT: Cathy Bilotta

- **Call to Order** – Ms. Mellish called the Committee meeting to order at 7:05 p.m.
- **Committee Member**

Ms. Mellish informed the Committee that Mr. Pratt had resigned from the Committee and a new member will need to be appointed. To date a member of the School Committee has applied and other potential members have been recommended. The new member will be appointed by Allen Wilson, Town Moderator. Interested residents should complete the application on the Town website and forward an email to Allen Wilson.

- **Discuss FY26 Budget & Potential Areas of Concentration**

Ms. Mellish indicated that she was interested in the Town's contributions to Committees for special events and requested additional information to better understand the level of support provided.

Ms. Mellish is also interested in discussing revenue and projections for revenue. Mr. Federspiel indicated that historically the Town had estimated conservatively and the past year the estimates were less conservative. He noted that investment income varies more than other areas. Mr. Creighton suggested that 5% projection seem manageable.

Ms. Mellish added there were no revenue fees from the Launch and the CST permitting fees were not included in revenue. Although the Committee had discussed using CST permitting fees for Capital, it should still be in the projected revenue. Ms. Mainville stated that Launch expenses and revenue is further defined in the budget book.

Investment income is projected at \$230K. Ms. Mainville stated that she estimated the projection based on FY23 actual and is not sure what will happen in FY26. She added that the FY25 quarterly report will be available for next week's meeting. Ms. Mellish stated that the Committee will revisit revenue income projections next week.

- DPW salaries are up 9%
- Snow Removal look at 3-year average, only looking at 2-years would like to decrease is possible
- Page 20 the numbers do not add up please take a second look
- Page 22 Ms. Mellish stated that she would like the projected cost of everything listed to facilitate estimating capital exclusion and bonding. Also, the Town is anticipating a greater cost for MERSD. She would like to aim for a 2.5% increase. Mr. Federspiel stated that the Town has \$800K in excess levy capacity.
- Page 27 Salary Reserve Fund, Ms. Mellish requested an adjustment. She would like to see changes in salaries as part of the department budgets
- Page 37 Land Management legal fee. Ms. Mellish would prefer that line to be with legal fees not part of Land Management.
- Professional Services Ms. Mellish would like to know what the \$20K is anticipated to be used for.
- Page 42 Land Management Fees – Ms. Mellish noted that ZBA had increase application fee to \$1,000 for applications and suggested that other fees should be reviewed to more adequately reflect the cost of providing the service. She suggested increases for all boards and departments including Planning Board, Conservation Commission and Health and Fire Departments should be recommended by 1/31/25. This would increase the revenue to the Town for services provided.
- Police Department – Ms. Mellish would like to see a more complete explanation of Police and Fire Department personnel salaries.
- Overtime time review for both Fire and Police Departments, Ms. Mellish would like to understand that the overtime numbers are estimated and realistic.
- Fire Department fuller explanation of which lines match up for the Fire Captain's role and other lines that appear to be a new floater.
- Harbormaster and Deputy Harbormaster requested clarification of the salaries.
- Page 57 Building Department – Ms. Mellish suggested that the permitting process was currently running slower. Mr. Federspiel indicated that he planned to move permitting to the Land Use Department. Ms. Mellish indicated that would be difficult not having that role in Town Hall. She is concerned that the transition is slowing down the process.
- Page 59 Mr. Federspiel stated that was an adjustment for the Project Manager and Clerk of the Works salaries.
- Page 64 Medical Inspections – \$10K in Professions Services for the Health Department. Ms. Mellish requested clarification of which inspections are being done in-house.
- Page 68 Library – Books and Magazines are increasing 18% when the budget is increasing 2.5%. The large increase reflects the increase in the total budget. Additionally, Mr. Federspiel clarified that the computer operations line is separate from the Town

computer fees. That line includes the cost of belonging to the library consortium which provides books online, shared books and other services.

- Mr. Nahatis asked about the grant match the Finance Committee had approved last year and if the grant is not awarded what happens to those funds. Mr. Federspiel stated that the awarding of the grant was postponed pending the Town's decision on MBTA Zoning and the Town anticipated to receive the decision on Friday, January 10, 2025. If not awarded the funds would move to the reserve fund.

Mr. Parkins asked about messaging around the tax plan. Ms. Mellish stated that would be part of the discussion during long-range planning discussions. Ms. Mellish clarified for the Committee that debt appropriations for loans are not included in the tax rate until the funds are spent. Mr. Creighton stated that the impact on the voters has not been realized for funds voters approved and it is the role of the Finance Committee to explain that clearly to the voters.

Ms. Mellish added that it is important to understand the Construction Schedule and the Town's need to bond during that schedule. Mr. Creighton stated that the long-range 5-year and 10-year plans expenses and bonding need to be looked at together. The Committee agreed it is important to communicate. Mr. Creighton suggested having discussions during several Annual Town Meetings focusing on the comprehensive long-range plans.

Mr. Twining suggested diagramming the Long-Range Plans to visually capture the impact. Mr. Creighton stated it was important to let the taxpayer understand what they are seeing. Ms. Mellish stated that MBTA Zoning was approved based on communications and the Long-Range Capital Plan will need that level of communications.

Mr. Nahatis proposed a maintenance bond noting that the roads were in bad shape. Ms. Mellish is not in favor of bonding for road work. She would like to hold the discussion on roads until the Committee is discussing Water & Sewer.

The Committee briefly discussed repaving and recommend a Repaving Plan separate from Water & Sewer work. Mr. Creighton pointed out that water pipes last three times longer than the roads on top. Ms. Mellish agreed and suggesting that roads and sidewalks require work.

- **Define Schedule for FY26 Budget Review**

January 15, 2025 – Police and Harbor

January 23, 2025 – DPW

January 29, 2025 - MERSD

February 5, 2025 – Fire

February 12, 2025 – Library & Town

February 19, 2025 – CPC & Town

February 27, 2025 – Capital and discuss capital with departments during review of Operating Budgets.

March 5, 2025 – Dan Sherman OPEB & Town Auditors

March and April meetings are scheduled and will take place as needed.

- **Approve Meeting Minutes:** 10/30, 11/21, and 12/4

Mr. Creighton moved to approve the meeting minutes for October 30, 2024 and December 4, 2024. Mr. Twining seconded the motion. The motion passed with all members present at the meetings voting affirmatively.

Mr. Creighton moved to approve the meeting minutes of November 21, 2024; Ms. Mellish seconded the motion. The motion passed with Mr. Parking, Mr. Twining and Mr. Oldeman abstaining.

- **Adjourn**

Mr. Twining moved to adjourn the meeting; Mr. Creighton seconded the motion. The motion passed unanimously.