



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

February 19, 2025 7:00 p.m.

Room 5 and on Zoom

MEMBERS PRESENT: Sarah Mellish, Chair, Andy Oldeman, Mory Creighton, Gar Morce, and Dean Nahatis

MEMBERS ONLINE: Tom Parkins

MEMBERS NOT PRESENT: Peter Twining

STAFF PRESENT: Town Administrator, Greg Federspiel, Town Accountant, Andrea Mainville, Town Treasurer, Jennifer Yaskell, Police Chief Fitzgerald (online)

SELECT BOARD MEMBER PRESENT: Cathy Bilotta

Call to Order – Ms. Mellish called the Committee meeting to order at 7:00 p.m.

- **Discuss and Approve FY26 CPC Projects**

Mr. Feuerbach, Trustee and Chair of the Affordable Housing Trust spoke to the Trust's request for ongoing CPC funding. Mr. Feuerbach stated that the Trust working with the Housing Authority has explored options for further developing Newport Park and The Plains. Both Newport Park and The Plains have been surveyed and there is an excellent possibility to develop a new building at Newport Park. In addition, the Trustees have explored two other opportunities. The Trust has \$1.5M held in CDs and with that available funding the Trust is a viable partner for potential developers.

Additionally, the Trust assisted several Town families during Covid with mortgage and rental assistance. The Trust is currently working with State Representatives to forward the final application for Powder House Lane to be formally added to the SHI.

Mr. Morse stated that he supports the mission of the Trust. However, in 5 years the Trust has produced zero to support Affordable Housing in Town. Mr. Morse added that he believes it is time for a change in membership on the Trust. Ms. Mellish, also a Trustee, has suggested that the Select Board reconsider membership on the Trust outside of Board and Committee appointees. Mr. Federspiel stated that the By-Law defining the Trust defines membership and would take time to change. However, At Large Trustees could be added.

The Committee discussed the additional requests for funding including Singing Beach Bath House, Housing Production Plan, Rotunda Restoration, Library Windows and Police Photos. The Historic Street Lamp application was not approved because CPC cannot approve historic looking lamps only historic lamps.

Mr. Nahatis moved to approve CPC funding for Open Space in the amount of \$57,100; Mr. Morse seconded the motion. The motion passed unanimously.

Mr. Creighton moved to approve CPC funding for Historic Preservation in the amount of \$390,000; Mr. Morse seconded the motion. The motion passed unanimously.

Mr. Morse moved to approve CPC funding for Administration in the amount of \$25,000; Mr. Oldeman seconded the motion. The motion passed unanimously.

Mr. Oldeman moved to approve CPC funding for the Affordable Housing Trust in the amount of \$200,000; Mr. Nahatis seconded the motion. The motion passed with five members voting affirmatively and one member voting against.

Mr. Morse moved to approve CPC funding for the Housing Production Plan in the amount of \$25,000; Mr. Nahatis seconded the motion the motion passed unanimously.

- **Continuing Discussion and Approval of FY26 Town Department Operating Budgets**

Ms. Mellish clarified for the Committee that everything in the green column on the spreadsheet was included in the estimated tax rate increase of 2.25%. Mr. Nahatis asked if the Town's tax rate included the updated insurance and updated MERSD budget. Ms. Mellish stated that it did contain the updated MERSD budget, however the District is anticipating an increase for Health Insurance. Ms. Mainville indicated that the Town's

Health Insurance increase is still set at 10% for the 2.25% tax increase, but the insurance cost will increase another 6.42%.

Treasurer Collector

Mr. Federspiel indicated the salary adjustment for the Treasurer puts the Town in line with other communities. Additionally, the Assistant to the Treasurer was upgraded to Assistant Treasurer, a non-union position. The Committee discussed the changes in light of the Town Audit. Ms. Yaskell indicated that Assistant Treasurer has had a full year of training and is more than qualified to serve as the Assistant Treasurer. Ms. Mellish clarified there is no new position being added to the Treasurer Collector only an upgrade to existing positions.

Mr. Oldeman moved to approve the Treasurer's Operating Budget in the amount of \$236,875; Mr. Creighton seconded the motion. The motion passed unanimously.

Land Management

Land Management Department now includes Planning Board, Zoning Board of Appeals, Historic District Commission and Conservation Commission. Budgets for the listed Boards and Commissions have been consolidated into Land Management.

Conservation Agent is a shared position with Hamilton. Hamilton reimburses Manchester for half of the Agent's salary.

Mr. Federspiel stated that support for the Building Inspector will be part of the Land Management Departments responsibilities.

Initially Legal Services was included in the Planning Board budget. Ms. Mellish did not understand the need for the Planning Board to be the only Board in Town with a Legal Services line. The change was discussed, and the line has been removed from the final approved budget.

Mr. Creighton moved to approve the Land Management Department Operating Budget in the amount of \$272,154.00; Mr. Morse seconded the motion. The motion passed unanimously.

Town Hall and Town Common

Ms. Mainville stated that it is a challenge working with National Grid around the solar farm agreement. The Committee agreed working with National Grid is not easy.

The electric line item includes Town Hall, Seaside One and DPW garage. Mr. Oldeman asked if the Town has considered solar. Mr. Federspiel replied that it had been considered, and the best option for solar panels is the Water Treatment building.

Mr. Oldeman moved to approve the Town Hall Town Common budget in the amount of \$57,000.00; Mr. Morse seconded the motion. The motion passed unanimously.

Contributory Pensions – This is a bill the Town receives and pays.

Mr. Nahatis moved to approve the Contributory Pensions in the amount of \$1,853,084.00 Mr. Creighton seconded the motion. The motion passed unanimously.

Insurance Including: Group Health Insurance, Worker's Compensation, Casualty & Liability, Unemployment Compensation, and FICA – Medicare

Mr. Morse moved to approve Insurance Premiums in the amount of \$2,219,343.00; Mr. Creighton seconded the motion. The motion passed unanimously.

Revised Police Department Budget– Changes relate to an increase of \$8K for a Police Sergeant who completed his Master's Degree program.

Mr. Oldeman moved to approve the revised Total Salary and Expense budget line for the Police Department in the amount of \$2,148,348.00. Mr. Nahatis seconded the motion. The motion passed unanimously.

Board of Health

Professional Services – Ms. Mellish noted that medical services are provided by a contractor. Mr. Federspiel indicated that it was correct. Ms. Mellish also noted that Hazardous Waste was moved back to DPW, that too is correct.

Mr. Nahatis moved to approve the Board of Health budget in the amount of \$210,747.00. Mr. Morse seconded the motion. The motion passed unanimously.

Council on Aging – Van Driver line increased COA has extended hours of service.

Mr. Morse moved to approve the Council on Aging budget in the amount of \$235,168.00; Mr. Oldeman seconded the motion. The motion passed unanimously.

Veterans Services – Mr. Federspiel stated that the Town’s contracts with Gloucester for Veterans Services.

Mr. Oldeman moved to approve the budget for Veterans Services in the amount of \$22,250.00; Mr. Creighton seconded the motion. The motion passed unanimously.

Recreation Department – The Director of Recreation will now oversee Parks and Recreation, Council on Aging and Health Department. The salary adjustment for the Director is an additional increase as a result of the Town Audit. Ms. Mellish asked if this would include intergenerational programming. Mr. Federspiel indicated that was correct.

Mr. Creighton moved to approve the Recreation Department budget in the amount of \$182,939.00. Mr. Morse seconded the motion. The motion passed unanimously.

Mr. Morse moved to approve the Singing Beach budget in the amount of \$141,813.00. Mr. Creighton seconded the motion. The motion passed unanimously.

Mr. Oldeman moved to approve the Tuck’s Point – Crowell Chapel budget in the amount of \$31,857. Mr. Morse seconded the motion. The motion passed unanimously.

Mr. Morse asked how much revenue was generated by Crowell Chapel. Mr. Federspiel stated that it was a lost leader. Most of the revenue is generated by Tuck’s Point. Mr. Morse believes there are people interested in having weddings at Crowell Chapel.

Mr. Oldeman moved to approve the July 4th budget in the amount of \$24,072. Mr. Morse seconded the motion. The motion passed unanimously.

There was some discussion among the Committee members about the cost of the parade and if there was a possibility to reduce the cost. Mr. Federspiel noted that fireworks cost \$30K+. Ms. Mellish is in favor of fireworks annually. Mr. Federspiel noted that the July 4th Town events are getting more difficult to staff and afford. He estimates the Town spends \$60K+ in a fireworks year and it is difficult to hire a fireworks contractor.

Debt Services Includes: Maturing Principal, Long Term Interest, Temporary Loans/Interest and WPAT Administration Fee.

Mr. Oldeman moved to approve Debt Services in the amount of \$871,133.00; Mr. Creighton seconded the motion. The motion passed unanimously.

Mr. Morse asked to schedule a discussion with someone on the subject of Debt Services.

- **Approve DPW Operating Budget**

Sewer Fund – Ms. Mellish indicated that enterprise funds set fees to cover costs.

Mr. Creighton moved to approve salary and expenses in the amount of \$682,016; Mr. Oldeman seconded the motion. The motion passed unanimously.

Mr. Morse moved to approve the Sewer & Indirect costs in the amount of \$438,751; Mr. Oldeman seconded the motion. The motion passed unanimously.

Mr. Oldeman moved to approve the Total Water Distribution budget in the amount of \$1,110,106. Mr. Morse seconded the motion. The motion passed unanimously.

Mr. Oldeman moved to approve the Sewer & Direct costs in the amount of \$223,952; Mr. Creighton seconded the motion. The motion passed unanimously.

DPW Operating Budget

The Committee moved to the DPW Operating Budget. Mr. Creighton asked why the Committee had delayed approving the budget. Ms. Mellish stated the Committee did not have a Sanitation Budget and requested answers to questions.

Mr. Oldeman moved to approve the DPW Operating Budget in the amount of \$1,545,413; Mr. Morse seconded the motion. The motion passed unanimously.

Mr. Morse requested that salaries be separated out as they are in other budgets. Director, Engineer and other levels of employees.

Clerk of the Works is a new position added last year to last for 5 years during major construction projects in the Town. Mr. Morse stated that this is an important position and will require supervision. Change Orders and Cost

Overruns are costly and need to be managed. Ms. Mellish asked how often the Finance Committee should receive reports. Mr. Morse stated at least quarterly. Tracking jobs is critical to controlling costs. Ms. Mellish requested that Ms. Mainville follow up on quarterly reports when projects are moving forward.

Snow Removal

Ms. Mellish stated that the 3-year average for snow removal is \$125K, however, she is nervous about reducing the budget from \$145K. Additionally, she pointed out the DPW is not doing a good job on sidewalks and that needs to be improved. She mentioned that the Town has a 5-foot-wide plow for sidewalks and many of the Town sidewalks are less than 5 feet wide. Mr. Creighton suggested that quality can be the person, or the equipment and the question needs to be asked, and the issue addressed.

Ms. Bilotta stated that the Select Board had discussed the issue last evening. The expectations are that sidewalks in front of Town buildings should be cleared adequately.

Mr. Oldeman moved to approve the Snow Removal budget at \$145K; Mr. Morse seconded the motion. The motion passed unanimously.

Streetlights

Mr. Oldeman moved to approve the Streetlight budget in the amount of \$55K; Mr. Morse seconded the motion. The motion passed unanimously.

Facilities

Mr. Oldeman moved to approve the Facilities budget in the amount of \$179,494.00; Mr. Creighton seconded the motion. The motion passed with 5 affirmative votes and one abstention.

Sanitation – Collection & Disposal

Contract questions remained outstanding. The budget will be reviewed when the Wheelabrator contract is fully understood by the Committee.

- **Review Tax Rate Impact of all Town Operating Budgets**

Rescheduled to next meeting.

- **Town Administrator’s Update**

Mr. Federspiel had no additional comments this evening.

- **Approve Meeting Minutes – February 5, 2025**
- **Schedule FY26 Budget Review**

February 27, 2025 – Fire Department (Fire Chief is developing a memo for the Select Board and Finance Committee) Remaining Capital

March 3, 2025 – Joint with Select Board (7:00 p.m. or 7:30 p.m. depending on business of the Board)

March 5, 2025 – Auditor’s report and OPEB

March 12, 2025 – Complete everything with the exception of MERSD. Discussion of tax rate for Town and Capital

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

- **Adjourn** *Mr. Oldeman moved to adjourn the meeting; Mr. Morse seconded the motion. The motion passed unanimously.*