

Swampscott Finance Committee  
March 5, 2018  
7:00  
Swampscott Town Hall

Present: Marzie Galazka (Chair), Tim Dorsey (Vice Chair) William Jones, Jill Sullivan, Maryellen Fletcher, Joan Hilario, Polly Titcomb.

Absent: Cinder McNerney, Gail Rosenberg

Also attending: Sean Fitzgerald (TA), Ron Mendes (ATA), Cheryl Herrick-Stella (Town Accountant), Leah Ryan (CIC), Peter Spellios (BOS)

Motion to approve minutes from 12/5/17, 1/31/18 Jones/Sullivan: 7-0.

Mr. Fitzgerald made a presentation about the Fiscal 19 Budget. Modelled the budget on best practices. Now we have five years of actuals, YTD and TA recommendation. Using all this information will allow us to build a consistent budget and try to hold the tax rate steady.

This budget includes 130 more line items to get much more clarity and specificity to exactly how departments are spending money.

Ms. Herrick Stella made a presentation on the budget.

Two big drivers of increases in administration and finance: IT, because expenses have been reclassified from PEG, and end of employment contractual expenses.

Community Development budget increased primarily to make the half time assistant planner to a full time position. This was accomplished with a net 0 increase in FTEs by shifting duties of town hall staff.

Public Services seems to increase a lot but different categories that had been outside this section of the budget. In addition, there was a significant shift in the split of expenses between the town budget and the enterprise funds.

The public safety budget decreases primarily because some expenses shifted out of their budgets. Police and fire increase about 1%. This year there was a sincere effort to understand the overtime budget and its true cost. The police and fire budgets do not include COLAs as the CBAs have not been negotiated to date.

There will be a warrant article at town meeting to take Field Maintenance costs out of the Recreation revolving account to be able to manage each account more accurately.

The school budget increases 3.0% in the general fund not including the prospective funding of a Special Education Stabilization Fund. The town and the school department are working more and more closely together.

Mr. Jones requested that the following statement is included in the minutes: Mr. Jones pointed out that his analysis shows if Nahant pays the amount per student it is costing Swampscott to educate Nahant's students, then the School System FY19 funding request increase would be about \$700,000 (80%) lower.

The administration is recommending a total of \$1.5MM be transferred from Free Cash to various stabilization funds. Our goal is to keep anticipated reserves at about 15% of revenue. We are above that level at this point, but it is an issue that needs to be monitored constantly. The town plans to work with an investment advisor to efficiently and safely invest our stabilization funds in order to realize a return.

The proposed budget would result in an estimated levy increase of 2% and would increase our unused levy.

Our net increase in state aid is less than 1% once counting for state assessments such as charter schools.

The town is making an effort to budget local receipts to more reasonable levels. These are based more closely on prior year actuals.

The fiscal 19 ask for capital projects were around \$4mm. The administration felt that needed to be pared down. This was based on an analysis of what we could borrow over the next few years if we want to keep a sustained 2 ½% increase in debt service each year. The analysis led to a number of \$2.3MM of borrowing this year. This budget proposes a 5 year capital plan, but the TA is encouraging a plan that considers 30 years of projects. We will plan a joint finance committee/CIC meeting for March 26.

The schedule for the development of the warrant and the Finance Committee consideration of the budget was discussed.

Ms. Titcomb brought up investigating the Chapter 70 lawsuit and could we please look into whether it would make sense to join.

Motion to adjourn: Jones/Fletcher 7-0.