

October 29th Meeting Minutes

BOS/FINCON JOINT MEETING

Attendees: Sean Fitzgerald, Ron Mendes, Cheryl Stella- BOS Members-Laura Spathanas, Peter Spellios, Naomi Dreeben FINCON Members- Marzie Galazka, Mary Ellen Fletcher, Jill Sullivan, William Jones, Mary Polly Titcomb, Cinder McNerney, Joan Hilario, Gail Rosenberg

Marci Galazka called the meeting to order at 7:10 PM.

There was a moment of silence for those lost their lives in the tragedy at the Pittsburgh Jewish Synagogue.

Marzie Galazka opened up with stating she was impressed with the level of detail that will be presented.

A power point presentation was presented to both the BOS and FINCON.

Introduction/ Overview Past 3 years- Chairman Spellios

Average Single-Family Tax Bill

FY04- 18 Average = 3.7%

FY 04-15 Average = 4/5 %

FY16-18 Average = .43 %

Debt Service Reduction- 34% reduction since 2008

Use of Free Cash to offset Tax Levy

Average \$600,00 a year we have used in the budget

Reducing and Slowing Expenses-

Increase in Town/ School Expenses over Prior FY19- .85% FY18- .48% 10 year Average 2.7% expense

New Growth / Increase Revenue

Avg FY03- 13: \$336,642

Avg FY14-18: \$605,000

FY19- = \$438,000 (\$500,000 budgeted)

New Growth

Minimum 5-10-year horizon for new initiatives:

Glover rezoning

Humphrey Street Overlay District

Hospitality Overlay District

Vinnin Sq/ Essex St Housing Rezoning

None of these initiatives above have transpired

Potential 2019 TM Initiatives

Train Station 40R District

Re-Use of DPW Station

Re-Use of New Ocean Street/ Pine Street Town properties

Tonight's Goal

A tax levy increase guideline that steers future budget creation.

Overview of Financial Forecasting & Assumptions- Sean Fitzgerald

Mission Statement- *To employ the resources of the elected individuals on BOS and FINCON to help inform the professionals at Town Hall on a tax levy policy and guideline that will provide guideposts for making financial decisions. Using the 10-year financial forecast and recommendations from the Finance Team to help derive the annual tax ley and reasonable new growth guidelines.*

Discussed Financial Forecast

Town Expenditures -past, present, future

- *Discussion of Overview of Financial Forecast Assumptions*
Used- Historical DOR Data for Baseline- Current Union Contract terms- Best Practice Financial Resources- Human Intelligence

Town Expenditures Past, Present and Future Breakdown- Cheryl Stella

Annual % revenue growth 3.15% vs. 10-year historical average of 2.61%

Annual % expense growth 3.18% vs. 10-year historical average of 2.31%

- *General Government- Average 2.23% growth over 10 years ASSUMPTION*
- *Public Safety –Average 2.28% growth over 10 years ASSUMPTION*
- *Education- Average 3.22% growth over 10 years ASSUMPTION*
- *Public Works and Facilities-Average 3.16% growth over 10 years ASSUMPTION*
- *Human Services- Average 6.3% growth over 10 years ASSUMPTION*
- *Culture Services – Average 2.3% growth over 10 years ASSUMPTION*
- *Employee Benefits- Average 4.02% growth over 10 years ASSUMPTION*
- *Enterprise Funds- Average 1.2% growth over 10 years ASSUMPTION*

Town Debt Service & Revenues Past, Present, Future- Ron Mendes

- *Debt service- General Fund projected to grow by 5.33%*
- *Property/Liability Insurances & Reserve Fund- projected to grow by 3%*
- *State and County Assessments projected to grow by 3.02%*
- *State Aid 10 Year Projection- projected to grow by 2%*

Ron went over Local Receipts some highlights

3 ½ % increase for Motor Vehicle Excise

Forecasting Swampscott's Average tax bill

Ron Mendes showed forecasting using 1.75% tax levy to 2.5% levy= deficit

TA stated in order to meet balance we have to be careful on how we budget, but also negotiate contracts.

New Growth / Free Cash Policy Recommendation

- *Recommendation that new growth be estimated at \$425,000*
- *Eliminate the use of free cash to balance the operating budget*
Proposed Motion: Move to Direct the Town Administrator to prepare the annual budget with New Growth Revenue to be est. at \$425,000—Motion was made by Jill Sullivan and seconded Polly Titcomb motion was unanimously in favor by all FINCON Members
Proposed Motion: Move to Direct the Town Administrator to prepare the annual budget with New Growth Revenue to be est. at \$425,000 Motion made by Naomi Dreeben and seconded by Peter Spellios motion was unanimously in favor by all BOS Members

TAX POLICY RECOMMENDATION

- *Recommendation of 20% Tax Levy, plus new growth without any free cash to offset the levy*
Proposed Motion: Move to Direct the TA to prepare the annual budget with a proposed increase to the local property tax levy not to exceed 2% plus \$425k in New Growth Revenue. Motion was made by Jill Sullivan and seconded by Marzie Galazka motion was unanimously in favor by all FINCON Members
Proposed Motion: Move to Direct the TA to prepare the annual budget with a proposed increase to the local property tax levy not to exceed 2% plus \$425k in New Growth Revenue. Motion made by Naomi Dreeben and seconded by Peter Spellios motion was unanimously in favor by all BOS members

There were discussions on the following:

- *Mr. Spellios discussed making investments in quality of life in Swampscott.*
- *If there was a limit to the new growth and redeveloping the areas already developed and using the area in a better way.*
- *2% COLAS*
- *Is there a Macro Economic in these numbers?*
- *Question on Overlay and fluctuation in the budgeted numbers. Mr. Mendes stated 750k is in there and that high amount is not needed there.*
- *Could there be an incentive for new businesses to be brought to Swampscott?*
- *Question if this is something that should be looked on a yearly basis. Mr. Spellios stated that dpt. and staff need predictability so looking at it year after year would not be the best procedure.*
- *Dpt. heads will be asked from TA for two budgets- constrained budget and budget that would be presented as an ordinary year.*

CIC representative stated that it was useful for them to sit on this meeting and working with BOS and FINCON in terms of reviewing dpt.'s proposal.

Motion to Adjourn the meeting was made by Marzie Galazka and seconded by Jill Sullivan - all FINCON and BOS members were unanimously in favor.

