



Town of Swampscott

Finance Committee Meeting Minutes

Thursday, April 23, 2020

Meeting Conducted via remote participation on the zoom.us application

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c.30A, §18, and the Governor's March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the **Finance Committee** was conducted via remote participation utilizing the zoom.us application. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting was made available on the meeting posting. No in-person attendance of members of the public was permitted, and every effort was made to ensure that the public can adequately access the proceedings in real time, via technological means.

MEMBERS PRESENT

Tim Dorsey (Chair), Mary Ellen Fletcher (Vice Chair), Gail Rosenberg, Cinder McNerney, Eric Hartmann, Jill Sullivan, Joan Hilario, Matthew Kirschner

MEMBERS ABSENT: James Goldman

OTHER TOWN OFFICIALS PRESENT:

Peter Spellios (Chair, Select Board); Sean Fitzgerald, (Town Administrator); Ronald Mendes (Assistant Town Administrator); Allie Fiske (Asst. to the Town Administrator)

Chairman Tim Dorsey called the Finance Committee meeting to order at 7:03pm. Mr. Dorsey then provided an overview of the purpose of this evening's meeting, including a discussion on the revenue picture for FY2021 given the COVID-19 situation. Also, the intent was to have a strategic discussion on the budget & town meeting process given the postponement of town meeting.

There was a discussion about the outlook for state aid, as well as possible funding from both the state and federal governments. Mr. Mendes and Mr. Fitzgerald were both on a call this morning with state and other local officials where there was some discussion about state and local finances given the pandemic situation. The discussion included an overview of possible state aid, as well as the logistics of obtaining approval of a 1/12th budget from the Dept. of Revenue that would be required in order to continue municipal operations beyond July 1st if a town meeting cannot be held before then.

There was then a further discussion about the logistics the Town will need to go through in order to develop that 1/12th budget. Ms. Fletcher then offered some comments on the current outlook, and asked Mr. Fitzgerald if spending has been frozen for the current Fiscal Year, or if there is a hiring freeze or any other actions have been taken on the budget. Mr. Fitzgerald indicated that the budget has not yet been frozen, saying that the town has needed to expend monies on items, such as materials for masks, food, etc. that were never anticipated but are needed at this time. He said that this emergency is unlike a typical recession where spending is cut. This is a time where there is a real need around issues like food insecurity, and income insecurity that residents are dealing with.

There was then a discussion on whether the use of stabilization funds would be appropriate under the current circumstances. Some members felt that it may be appropriate at this time to utilize stabilization funds to off-set revenue shortfalls, and others felt that there should be a delay before starting to utilize stabilization funds.

Ms. McNerney offered some comments on the use of stabilization funds, speaking about conversations she had with representatives of rating agencies. She recommended having not just a plan for FY21 that could include deficit spending and drawdowns from reserves, but also a plan for FY22 and beyond that replenishes those drawdowns.

There was then some conversation about whether there is a need to establish working groups to address some of the financial issues presenting themselves at this time. Some members feel that working groups would be useful, and others feel that the entire committee should be addressing these issues. Mr. Dorsey indicated that the suggestion for working groups was made from a desire to balance the need of the committee to address the financial issues with the ability of all committee members to attend multiple meetings at this time.

There was also a question from Mr. Kirschner regarding the risk of Swampscott's local aid being penalized or discounted as a result of decisions made at this time. Mr. Fitzgerald offered some comments on this issue indicating that this is one factor we need to keep in mind as further decisions are made going forward.

Mr. Spellios provided, as an example of types of programs that are being considered, the School Dept.'s "grab and go" lunch program that would end as of the natural end of the school year and the possible real need to continue this program if the need continues.

Mr. Mendes also provided a brief explanation of the process for obtaining approval of the "1/12th" budget in order to continue municipal operations beyond July 1st. Essentially, if town meeting does not take place on or before June 30th then the town needs to submit a proposed budget for the month of July in order to continue municipal operations beyond July 1st. The request comes from the Select Board and is sent to the Department of Revenue. The Dept. of Revenue is the final approval authority for a 1/12th budget until a town meeting occurs. In the event a town meeting does not occur before August 1st, then a 2nd 1/12th budget would need to be approved to continue operations beyond August 1st and would continue beyond that on a month to month basis until a town meeting takes place.

There was also then some discussion about the need for the Finance Committee to weigh in, and the ability to rely on professional staff, in conducting this analysis. Mr. Dorsey suggested that the working group setup presented an opportunity for proactive engagement by the Finance Committee in the scenario analyses considered as budget adjustment recommendations are made. There was some discussion about focusing the working group's efforts initially on the establishment of the 1/12th budget. This discussion will continue during the scheduled meeting on Monday.

There was then a discussion at a high level of some parameters surrounding anticipated projections of revenue loss that will need to be incorporated into budget discussions going forward. There was discussions about a need to come up with best and worst case scenarios on revenue projections. Ms. McNerney stressed the importance of considering these scenarios as part of establishing the 1/12 budget (and not waiting for the full annual budget to address the likely significant revenue losses).

Due to requested changes to the draft meeting minutes, approval of minutes will be deferred to the next meeting.

On MOTION (Ms. Fletcher) SECONDED (Ms. Rosenberg) it was VOTED (unanimous, by roll call vote 7-0-0) to adjourn.

Meeting adjourned at 8:30pm

True Attest,

Ronald Mendes, Assistant Town Administrator

Minutes APPROVED by vote of the Finance Committee 05/26/2020