



Town of Swampscott

Finance Committee Meeting Minutes

Tuesday, May 26, 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), Cinder McNerney, Eric Hartmann, Matthew Kirschner, Jill Sullivan, James Goldman, Joan Hilario

MEMBERS ABSENT: Gail Rosenberg

OTHER TOWN OFFICIALS PRESENT:

Peter Spellios (Chair, Select Board); Sean Fitzgerald, (Town Administrator); Ronald Mendes (Assistant Town Administrator); Patrick Luddy (Asst Town Accountant)

Chairman Tim Dorsey called the Finance Committee meeting to order at 7:05pm.

As the first order of business, Mr. Dorsey asked for a motion to approve the minutes of the meetings of March 9th, March 30th, April 6th, April 23rd, & April 27th. A motion was made (Ms. Sullivan); 2nd (Ms. Hilario); and it was VOTED (8-0-0) to approve the minutes of these meetings.

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. Mr. Mendes then stepped through a presentation on projections for FY2021 and end-of-year analysis for FY2020.

There was some discussion on various budget related issues, including revenue projections (est. worst case scenario includes possible 20% reductions in Chapter 70 and Unrestricted Local Aid, ~\$470,000 reductions in local receipts for a total of just under \$1.7 million in reductions to FY21 revenue). One option for addressing the anticipated reduction in revenue would be to reduce expenses. This strategy alone would represent a \$727K reduction to the School Dept. line item; a \$207K reduction to public safety; and a substantial reduction in services across the board.

The presentation then turned to a look at reserves. The town currently has \$3.4 million in Free Cash; and \$6.4 million in Stabilization. The financial guidelines provide that the town should have 3 – 5% of its budget in Free Cash and 9 – 10% in the Stabilization Fund. There was some discussion on the difference between the two reserve funds and the priorities that drive decision making for when the town takes drawdowns from these funds.

The presentation then turned to a discussion on end-of-year analysis for FY2020. It is expected that the Town will likely see Free Cash increase by at least \$1.0 million as a result of current year operations.

There were then discussions about collective bargaining and the Town's plan for working with labor unions to address the need to make budget reductions to support the reconciliation of bringing about a balanced budget. Mr. Fitzgerald then provided some insights into his approach to impact bargaining with unions to address issues that have arisen during the COVID-19 emergency and the lasting economic impacts.

There was then further discussion on the issue of holding a virtual town meeting and the utilization of adopting a full year budget, as opposed to adopting a 1/12th budget. It appears that the state is likely to approve the legislation to allow holding a town meeting in a virtual environment, but that would mean making assumptions that would underlie that budget, with the expectation that the town will likely need to hold a future town meeting to further adjust the annual town budget.

Mr. Fitzgerald indicated that we will be working on further refinements to his proposed budget for FY21 and that will be based on discussions with staff and with unions. There was some discussion about the calendar and the need to hold meetings to finalize budget recommendations. It was decided to post meetings for June 1st at 7:00pm; June 4th at 7:00pm; and June 6th at 8:00am.

There was then a discussion about the process involved with approval of School Department collective bargaining agreements and the involvement (if any) of the Finance Committee. Motion was made (Ms. Sullivan); 2nd (Ms. Fletcher) to ask the Chair to draft a letter to the School Committee that will state the Finance Committee's concern and dissatisfaction (given the significant revenue reductions expected this year and potentially beyond) assuming that the new contract does not provide for structural changes of the type discussed at the recent financial summit and provides mainly for a COLA. VOTED (7-0-1) Goldman abstained.

On MOTION (Ms. Fletcher) SECONDED (Mr. Hartmann) it was VOTED (unanimous, by roll call vote 8-0-0) to adjourn.

Meeting adjourned at 8:56 pm

True Attest,

Timothy Dorsey, Chair

Minutes APPROVED by vote of the Finance Committee 06/04/2020