



**Town of Swampscott**  
**Finance Committee Meeting Minutes**  
Thursday, November 18<sup>th</sup>, 2021 – 7:00 PM  
Virtual Meeting

**FINANCE COMMITTEE MEMBERS PRESENT**

Mary Ellen Fletcher (Vice-chair), Eric Hartmann, Joan Hilario, Matthew Kirschner, Cinder McNerney, Gail Rosenberg

**FINANCE COMMITTEE MEMBERS ABSENT**

Tim Dorsey (Chair), Jill Sullivan

**OTHER TOWN OFFICIALS PRESENT**

Amy Sarro, Director of Admin. & Finance; Patrick Luddy, Treasurer/Collector; Trang Vu, Asst. Town Accountant

The meeting was called to order at 7:00 pm.

Public Comment

None.

Approval of Minutes

**On MOTION** (Gail Rosenberg) and **SECONDED** (Matthew Kirschner) it was **VOTED** by **ROLL CALL** to approve minutes on 09/27 and 10/25/2021. ROLL CALL: Matthew Kirschner (YES), Cinder McNerney (YES), Joan Hilario (YES), MaryEllen Fletcher (YES), Gail Rosenberg (YES), Eric Hartmann (YES)

Overview of CBA negotiations/agreements

The Select Board did not speak about them publicly the night before.

MaryEllen Fletcher asked about the process.

Director of Admin. & Finance Amy Sarro mentioned that they have been negotiating for a few months now with the DPW, The Administrative Professionals and the Library Unions and came to an agreement. However, the agreements were done so late that the SB was not able to ask questions and understand it. She did not think there would be anything relating to CBA on the warrant for Special Town meeting.

She also confirmed MaryEllen's question that DPW has been without a contract for one year and half so far, while the Library and Administrative Assistants have been out for almost 6 months.

Director of Admin. & Finance Amy Sarro said if anything progressed, they would notify the Board so that they can have a discussion on that. She also mentioned that we do have, including those Collection Bargaining, money for Union at the schools, which would be a transfer from Free cash. Those Unions are Custodial Union at the School department and the Administrative Assistants.

Cinder McNerney concerned how expensive it is to have a virtual Town meeting. She heard from another Town that it would cost up to \$50,000 each time they have virtual Town meeting.

Director of Admin. & Finance Amy Sarro responded that the cost mostly pays for additional staff to broadcast the meeting through the PEG program but that was minimal.

Cinder McNerney asked if our free cash was certified and how much estimated. Amy Sarro confirmed that it was not certified, and we had about \$4.5 million, and \$1.5 out of it was spent toward the tax.

### Discussion of possible vote on proposed financial warrant articles

#### **Article 1: Amend appropriations for the FY22 operating budget**

Director of Admin. & Finance Amy Sarro explained how the budgeted money from the line items that we would not use for the rest of FY22 would be amended to line items that need more supports. Those includes the Insurances property, Windsor Park construction, Police Department equipment, Executive Assistant for Town Administrator office, Zoom Subscription. She mentioned that we need more money to fund Windsor Park construction to match the grant because of the supply chain rising costs.

Selectman Neal Duffy commented that the grant was not just for design, but also for construction. We had approved \$40,000 matching for that, and the reason for additional funds just because the costs have gone up and so the grant funds need to be spent some time in late June or we lose that \$40,000. He also mentioned that Molly and Marzie have applied for additional grant funds that might help to pay for the project and mitigate some of the additional costs to us.

Director of Admin. & Finance Amy Sarro stressed that the construction must be completed for that grant to be submitted.

MaryEllen Fletcher asked why we would not bond to pay for Police Equipment.

Director of Admin. & Finance Amy Sarro said that the \$25,000 was already approved for capital for Police radio project. However, the communication devices themselves are falling the network. There are areas in Town where the Police have absolutely no radio communication. Police Department are trying to apply for grants but there aren't any currently fit this year that they are able to find. This transfer is the first step, there are additional parts to this communication plan this was submitted for FY23. This is just to patch the network so that throughout the entirety of Swampscott, our Police have radio communication.

Patrick Luddy explained to MaryEllen Fletcher why we did not bond the full amount. It was an urgency relating to public safety that Chief Kurz has brought it up multiple times.

Cinder McNerney and MaryEllen Fletcher concerned if an Executive Administrator is needed and how we spent money that has not been expended because of some vacancies during FY22.

Eric Hartmann helped to summarize that there are 3 things in top list: the Executive Assistant, the Insurance and the Zoom are going to flow into the next year's budget. Everything else was one-time payment out of this year budget so there was a net cost increase long term because we were agreeing to hire an Executive Assistant. He was not sure what we could do about the Insurance or the Zoom.

Director of Admin. & Finance Amy Sarro confirmed that we were not adding money to the budget but transferring money within the budget. MaryEllen Fletcher was opposed of transferring \$30,0000 in support of hiring another Assistant.

Director of Admin. & Finance Amy Sarro responded to Matthew Kirschner the reason we had a vacancy of Executive Assistant that Allie Fiske was promoted to Director of Communications and Strategic Initiatives. She has been trying to do both and it became too hard to handle both roles well.

Joan Hilario asked if her role was a new and budgeted for FY22. Amy Sarro mentioned that her role was voted as a Director of Communications and the Executive was not funded. She thought we needed an Admin and Finance officer when someone is absent.

Joan Hilario commented that we could wait until next meeting when everyone was present to vote on this item.

Selectman Neal Duffy commented that in terms of the sequencing, Select Board would like to have Finance Committee to discuss the item tonight, but we could also report it at Town meeting.

MaryEllen Fletcher asked if Finance Committee would like to wait until Monday meeting to vote on this item. Gail Rosenberg indicated that she would like to go through the rest of the articles and wait until next meeting to vote on it. Joan Hilario, Cinder McNerney, Eric Hartmann, and Matthew Kirschner also commented that they thought it was better to vote on this item next meeting.

## **Article 2: Appropriation from free cash to fund pedestrian safety infrastructure.**

Patrick Luddy mentioned that this article was not commented at the Select Board meeting the night before. Therefore, MaryEllen Fletcher decided to wait for more information before discussing this article.

## **Article 3: Transfer of Free cash for CBA.**

This article had been discussed in the previous agenda item.

## **Article 4: Transfer of Free cash to adjust the tax rate.**

Patrick Luddy shared presentation that given to the Select Board the night before by the Assessor and him. He summarized that the after inputting all the costs and all of revenue sources that have identified, the growth levy this year, before any free cash is applied, would be \$52,660,000. The recommendation is to shift the tax rate to 1.7%, and to use \$1 million to \$1 million and half to mitigate the tax rates. He also commented that would still have capacity leftover to transfer to reserves and fund different capital if appropriate.

Patrick Luddy also explained that on an average bill without applying any Free cash and do a 1.7% shift, the payment would be \$9,300 approximately. Whereas the bill would go down to \$9,070 if applying a 1.55% shift.

Cinder McNerney and MaryEllen Fletcher were concerned about ratios of Commercial to Residential.

MaryEllen Fletcher brought up the Elm Street project, where they wanted to put 120 units in a commercially zoned area.

Patrick Luddy mentioned that Select Board meeting the night before had brought this up and that was something they were eyeing on. They also recommended a summit incorporating with the Planning and Zoning Board to see how they can take on as an effort to mitigate the risk.

MaryEllen Fletcher asked what would happen if we used \$2 million versus \$1.5 million to mitigate tax levy since we had significant amount of money sitting in the Reserves.

Patrick Luddy commented that it would be a slight decrease in tax levy for median single-family bill, but it would get too close to the guidelines. He also reminded of what other uses of Free cash last year for funding reserves and funding Capital projects.

MaryEllen Fletcher was in support of giving money back to the taxpayers by decreasing the tax levy.

The Committee voted to wait until the meeting on Monday to decide on if a portion of Free cash can be used to reduce the tax levy.

#### **Article 5: Appropriation from the transportation infrastructure...**

Patrick Luddy mentioned that we received \$3,946.20 collected locally from Uber and Lyft. This was on proposed for the warrant last Town meeting, but we did not have the exact figure. The Board did vote to recommend favorable action article.

**ON MOTION** (Cinder McNerney) and **SECONDED** (MaryEllen Fletcher) it was **VOTED** to recommend favorable action.

**ROLL CALL:** Gail Rosenberg (YES), Cinder McNerney (YES), Eric Hartmann (YES), Matthew Kirschner (YES), Joan Hilario (YES), MaryEllen Fletcher (YES).

#### **Article 6 & 7: Transfers from Water and Sewer Retained Earning to reduce the rates.**

Cinder McNerney asked what the Retained Earnings are right now in each of those two funds.

Patrick Luddy responded that the Retained Earnings are not certified yet, but we have estimated that Sewer and Water Retained Earnings would be \$1,050,000 and \$1,270,000, respectively.

He also mentioned that the Town took extra time this year to do the rate study so there were some changes this year.

**ON MOTION** (Eric Hartmann) and **SECONDED** (Gail Rosenberg) it was **VOTED** to recommend favorable action.

**ROLL CALL:** Cinder McNerney (YES), Matthew Kirschner (YES), Joan Hilario (YES), MaryEllen Fletcher (YES).

**ON MOTION** (Cinder McNerney) and **SECONDED** (Eric Hartmann) Article 7 was **VOTED** to recommend favorable action.

**ROLL CALL:** Gail Rosenberg (YES), Joan Hilario (YES), Matthew Kirschner (YES), MaryEllen Fletcher (YES).

### **Article 8: To establish a solid waste enterprise fund**

Director of Admin. & Finance Amy Sarro commented that setting up a solid waste Enterprise fund could be a consideration since we now had the revenue stream with the bag fees, the bulky stickers, the dumpsters, and the mattress program. The purpose is for us to see the revenue and expenses all in one instead of trying to pull it out of the general fund revenue and figure it out every time the solid waste advisory committee ask for it.

MaryEllen Fletcher would like to see more information and guidelines before making any moving on this article.

Director of Admin. & Finance Amy Sarro confirmed that the fund would make it more transparent in terms of Solid waste Enterprise fund.

Cinder McNerney asked what the difference between a special revenue fund and an enterprise fund. She concerned about how the Enterprise fund would work since it would need to be subsidized.

Matthew Kirschner asked if there was any policy on how the fund is operated.

Selectman Neal Duffy commented that the conversation was more about if we should establish the fund now with some higher-level details discussed or wait and have more work out in the spring.

### Align on Pre-STM information needs and meeting schedule

Cinder McNerney commented that she would like to hear more from Town Administrator about the need for Executive Assistant position.

MaryEllen Fletcher asked more information about Town Hall positions before voting on this line items.

### Committee Updates

None.

### Old and New Business

MaryEllen Fletcher commented that we need to stay on target about development in the community. She would like to have Angela Ippolito to come back to answer some questions and look at some financial impacts on the town regarding overdevelopment.

Joan Hilario agreed with MaryEllen Fletcher on this.

MaryEllen Fletcher also concerned about some issues as vocational school, lack of financial support from state regarding Chapter 70, unused levy. She would like to read the audit that the Board of Selectman on the HR Department that was in Swampscott Reporter.

**ON MOTION** (Joan Hilario) and **SECONDED** (Gail Rosenberg) it was **VOTED** to adjourn the meeting at 8:50 pm. **ROLL CALL:** Cinder McNerney (YES), Gail Rosenberg (YES), Joan Hilario (YES), Eric Hartmann (YES), Matthew Kirschner (YES), MaryEllen Fletcher (YES)

True Attest,

*Trang Vu*

Trang Vu, Assistant Town Accountant

*Minutes APPROVED by vote of the Finance Committee 03/07/2022*