



Town of Swampscott
Finance Committee Meeting Minutes
 Monday, November 22nd, 2021 – 7:00 PM
 Virtual Meeting

FINANCE COMMITTEE MEMBERS PRESENT

Tim Dorsey (Chair), Mary Ellen Fletcher (Vice-chair), Eric Hartmann, Joan Hilario, Cinder McNerney, Gail Rosenberg

ABSENT

Matthew Kirschner, Jill Sullivan

OTHER TOWN OFFICIALS PRESENT

Amy Sarro, Director of Admin. & Finance; Patrick Luddy, Treasurer/Collector; Sean Fitzgerald, Town Administrator

Public Comment

None.

Continued Review of Warrant Articles for 12-2021 Special Town Meeting

Article 1 – Operating Budget Transfers

Town Administrator Sean Fitzgerald highlighted the need for additional staff support for administrative support in town hall. \$12,000 transfer is being requested for an increase in hours for the existing part-time staff in the administrative role. \$18,000 transfer is requested for an additional temp to fulfill administrative needs. The Town Administrator’s intention is to request an additional permanent FTE for FY2023 to meet the needs of the department.

Various other transfers are requested as outlined in the below table:

GENERAL FUND FY2022 S.T.M. BUDGET TRANSFERS				
GENERAL FUND ACCOUNTS REQUIRING ADDITIONAL FUNDING :				
DEPT	ORG	DESCRIPTION	AMOUNT NEEDED	NOTES
TOWN ADMINISTRATOR	0112301	TEMPORARY STAFF SUPPORT	12,000.00	Contracted Administrative Staff Support
TOWN ADMINISTRATOR	0112302	TEMPORARY STAFF SUPPORT	18,000.00	Contracted Administrative Staff Support
LEGAL/ INSURANCE	0115102	PROPERTY & CASUALTY INSURANCE	21,800.00	FINAL INSURANCE AMOUNTS CAME AFTER BUDGET WAS VOTED
HUMAN RESOURCES	0115202	EMPLOYMENT SCREENING	11,000.00	FOR LIBRARY DIRECTOR & POLICE CHIEF SEARCHES
TECHNOLOGY	0115502	SOFTWARE LIC/SUBSCRIPTIONS	17,000.00	Zoom, upgraded antivirus software, and Copier lease
COMMUNITY DEVELOPMENT	0117202	CONTRACTED CONSULTING SERVICES	30,000.00	Windsor ad01 funding due to rising costs
POLICE	0121004	CONTRACTED CONSULTING SERVICES	118,000.00	MRI for Interim Chief Kurz thru end of February
POLICE	0121004	EQUIPMENT	55,000.00	Communication Improvements (Total need is \$60K, \$25K capital and \$55k from FY22)
			282,800.00	
GENERAL FUND ACCOUNTS SOURCES OF FUNDING :				
DEPT	ORG	DESCRIPTION	AMOUNT FOR FUNDING	NOTES
ACCOUNTING	0113501	ASSISTANT ACCOUNTANT	10,000.00	Adjust for partial year vacancy
ASSESSING	0114101	ASSESSING ADMIN PT	22,000.00	Adjust for partial year vacancy
HUMAN RESOURCES	0115201	DIRECTOR	89,400.00	Adjust for partial year vacancy
HUMAN RESOURCES	0115208	SALARY RESERVE	30,000.00	
FACILITIES	0119201	MAINTENANCE SALARIES	40,000.00	Adjust for partial year vacancy
POLICE	0121001	POLICE CHIEF	89,400.00	Assuming \$140k for new Chief starting Feb 1st
POLICE	0121001	PATROLMEN	30,000.00	Adjust for partial year vacancies
AGING SERVICES	0154101	OUTREACH WORKER	12,000.00	Adjust for partial year vacancy
			282,800.00	

MaryEllen Fletcher asked for clarification regarding the additional funding being asked for the redesign and construction of the Windsor Ave playground.

Community Development Director Marzie Galazka commented on the additional funding requested for Windsor Ave. Playground. Specifically, she outlined the increased project cost and the need to appropriate additional funding to meet the requirements on the PARC grant awarded from the state for the project. MaryEllen Fletcher requested clarification regarding the appropriations that have already been made for this project to verify that the additional appropriation is necessary to complete the project.

MaryEllen Fletcher asked for clarification about whether bonding could be used to fund the proposed appropriation for radio upgrades and for Windsor Ave Playground.

Moderator Michael McClung commented that the article as written does not lend itself to bonding, but that he will leave it to staff and bond counsel to verify whether that is possible or not within the confines of the article.

Cinder McNerney commented that appropriating these items from free cash rather than via a budget amendment might show discipline versus using a budget amendment to cover a non-recurring expense. Town Administrator Sean Fitzgerald commented although it is generally not best practice to fund one-time expenses in the budget, it does happen from time-to-time.

Article 2 – Free Cash Transfer to Fund Provisions of Collective Bargaining Agreements

No further information available – will comment on this article at a future meeting.

Article 3 – Free Cash Transfer to fund provisions of certain Collective Bargaining Agreements

There is \$28,000 of free cash being requested to fund provisions of agreements made with the custodial union and the administrative assistants unions.

Additional Collective Bargaining Agreements continue to be under negotiation and the amount of free cash required cannot yet be quantified. Town Administrator Sean Fitzgerald expects more information on this article to be available ahead of town meeting.

Article 4 – Free Cash Transfer to Reduce Tax Rates

Town Administrator Sean Fitzgerald commented that the Selectboard plans to meet on December 1st to discuss this article and continue their discussion on the tax rate setting process for this fiscal year. The finance and administration team are updating the 10yr financial forecast and reserve projections that have been discussed previously to facilitate this discussion.

Town Administrator Sean Fitzgerald also commented that there are many uses for free cash and there is a broader conversation to be had regarding how the town sets its tax rate.

Chairman Tim Dorsey asked the committee for their perspectives on whether there may be a need to discuss reduced reliance on free cash to offset the tax rate going forward. He also commented that his own perspective was that applying a similar amount of free cash to reduce the tax rate this year made sense, based on the general assumption that free cash levels are anticipated to be similar to where they were last year.

Director of Admin. & Finance Amy Sarro commented that her preliminary projection of free cash for Fiscal 2022 may be less excessive than this year.

MaryEllen Fletcher requested that Amy Sarro share with the committee unexpended tailings from the FY21 budget (not including encumbrances or town meeting approvals of expenditures pertaining to prior fiscal years).

Town Administrator Sean Fitzgerald commented that the last few years budgets have been some of the tightest budgets in years.

Article 8 – Establish a Solid Waste Enterprise Fund

Town Administrator Sean Fitzgerald commented on the article, explaining the strategic ways revenues from innovative programs like bag fees, metal waste recycling etc. can help reduce waste and waste tonnage, and support environmentally responsible practices when it comes to the town's waste.

Director of Admin. & Finance Amy Sarro commented that the establishment of this fund now affords her the time to develop an enterprise fund budget that meets the town's needs during the normal budget cycle in advance of annual town meeting.

Cinder McNerney asked for clarification on the accounting mechanics of the fund. Amy Sarro responded that the enterprise fund would require a subsidy from the general fund because the expenditures associated with waste outweigh the revenue streams associated with waste activities.

Cinder McNerney asked for additional clarification regarding whether establishing an enterprise fund that requires a subsidy would negatively impact the town's credit rating.

MaryEllen Fletcher asked for clarification regarding the benefits of establishing the fund.

Director of Admin. & Finance Amy Sarro commented that the fund allows for additional transparency and insight into the revenue and expenses of solid waste activities in town. It also would allow for initiatives to reduce solid waste and advance mitigation efforts.

Gail Rosenberg made a motion to **recommend favorable action** on **Article 8**; **Eric Hartmann** seconded the motion, and **Joan Hilario** voted in favor of the motion. **Tim Dorsey, MaryEllen Fletcher, and Cinder McNerney** voted against the motion, with the intent of discussing the article further at the next meeting.

Committee Reports

Tri-Chair

Tim Dorsey commented on the recent tri-chair meeting. He reported that there were preliminary conversations around the teacher's union CBA, and there is effort underway to begin discussions early and think constructively about the matter.

Old and New Business

MaryEllen Fletcher asked for clarification surrounding outstanding items for the committee to consider/scheduling after Special Town Meeting.

Chairman Tim Dorsey will reach out to Polly Titcomb, Chair of the Selectboard to coordinate a possible joint meeting regarding article 4 of the Special Town Meeting warrant.

The meeting was adjourned at 8:42 PM.

True Attest,
Patrick Luddy

Patrick Luddy, Treasurer/Collector

Approved by vote of the finance committee 03/07/2022