



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

FINANCE COMMITTEE MEMBERS PRESENT

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

ABSENT

Gail Rosenberg

OTHER TOWN OFFICIALS PRESENT

Peter Spellios, Select Board Chair; Michael McClung, Town Moderator; Amy Sarro, Town Accountant; Ron Mendes, Asst. Town Administrator Admin & Finance; Patrick Luddy, Asst. Town Accountant

Meeting called to order 7:04 PM

Approval of Minutes

None.

Public Comments

None.

FY 2022 Budget Review

Expenses (Continued)

At the previous meeting, the Committee began an initial run-through of the recommended budget. The last budget reviewed was police, so the Committee began their continued review with the Fire dept. which is next in order of the chart of accounts.

Eric Hartmann asked for clarification on the footnotes for the Fire dept. budget, including differences in the budget vs. revised budget columns. In response, Asst. Town Administrator Mendes commented on the differences between the revised budget figures and the original budget figures for Fiscal 2021 and where the difference between the two arises from (a combination of budget amendments and rolled-forward encumbrances) The Fiscal 2022

increases/decreases in the fire dept expenses align more closely with the original Fiscal 2021 budget for comparative purposes, rather than the revised Fiscal 2021 budget which gave some of the lines the appearance of more drastic fluctuation.

It was confirmed by the Asst. Town Administrator that there is census change in both the police and fire depts for FY 2022 which is reflected in the recommended figures.

There was discussion regarding the inter-municipal agreement that exists between the town and the City of Lynn, and whether there would ever be an opportunity to bring 9-1-1 operations in house. Asst. Town Administrator Ron Mendes stated that the time to make that determination would be upon expiration of the Inter-Municipal agreement and would involve a cost/benefit analysis. It is his opinion that the existing agreement does work well, and that bringing the operation in house would involve additional staffing due to the nature of 24/7/365 9-1-1 operations.

There was discussion regarding the Building Inspector's dual-role as Asst. Facilities Director, and \$10,800 of that position's salary being allocated in the Facilities budget to reflect that.

Jill Sullivan asked if the Constable line was going to be eliminated from the budget for FY 2022 based on prior conversation. Mr. Mendes did not confirm whether there would be a change to the budgeted compensation for that position, but that it had been mentioned.

Chairperson Dorsey commented on the Department of public works budget, identifying a \$31,998 sum error in the budget specific to the personnel subtotal. \$31,998 was subsequently adjusted up to resolve the error – an appropriate offsetting adjustment will be identified by town staff to balance the budget.

Mary Ellen Fletcher inquired about the Nurse line in the Health Dept. budget, and whether that line represented just 1 FTE. Mr. Mendes clarified that the budget in place for FY2021 included 1.0FTE and funds for additional COVID tracing. Ms. Fletcher asked if there was any opportunity to fund the Nurse line at least partially with CARES act or ARPA funds.

Jill Sullivan asked for confirmation on whether the Animal Control Officer was brought up to full-time. Mr. Mendes confirmed that the Animal Control Officer is now full-time, and those expenses are budgeted for in the police budget.

Eric Hartmann inquired about the staffing at the Senior Center. Specifically, he asked for clarification on whether the director position was going to be filled, and if an Executive Director had been hired yet. Mr. Mendes clarified that the former director had retired, and that the Executive Director position had been readvertised because the initial search turned up no viable candidates.

Eric Hartmann asked also for clarification on the adult care expense line, and what those funds are intended to be used for. Mr. Mendes explained that the intention for FY2021 was to provide funds for the Senior Center to contract with an adult day care facility to provide some more comprehensive part-time care for elders.

Amy Sarro commented that there had been \$66,000 of overflow bag fee revenue collected to date in Fiscal 2021. Mary Ellen Fletcher requested that the town perform an analysis of the cost of the bags vs. the revenues collected, to be provided at a later date.

Mary Ellen Fletcher commented on the proposed debt service budget and asked for clarification on whether there was any way to better maximize the record-low interest rates that are available in the current market. Mr. Mendes responded, and cited that the Bond Acquisition Notes issued this year were renewable for several years, are executed based on the project time-line, and the interest on the BAN is expensed to the debt service budget.

Ms. Fletcher asked Mr. Mendes to discuss his plan surrounding the financing for the Middle School roof project that was approved at the most recent town meeting. Mr. Mendes clarified that he is expecting to issue a BAN in April, and then likely permanently bond the project next year with all the other projects.

Chairperson Dorsey asked for clarification regarding the revised Health Insurance figure, which is appx. \$6.2M. Mr. Mendes clarified that the Health Insurance figure is based on a model that he maintains which includes enrollment figures and all the different rates for the different health plans. Notably, one of the more popular plans that is offered by the GIC is facing a rate increase of 12% for Fiscal 2022. Also, there is ongoing concern associated with the cost of employees enrolling in health plans due to COVID-19 (i.e. spouse losing job with benefits or other similar circumstances)

Mary Ellen Fletcher asked the Town Accountant, Amy Sarro, if there was any opportunity to offset health insurance costs with CARES Act funds for Fiscal 2022. Amy Sarro mentioned that she spoke to state A&F on this topic, and they did confirm that incremental increases in health insurance due to COVID-19 do qualify as eligible costs under the CARES Act funds that the town received. The town's allocation is all but spent, however Ms. Sarro is expecting that additional guidance from FEMA will be released in May that would allow her to charge off some school reopening expenses to FEMA under the COVID emergency, which may in turn free up funds to offset the increased operating cost of the benefits program.

Mr. Mendes confirmed the regional school assessment from Essex Tech at \$587,126 for Fiscal 2022.

Enterprise Funds

Chairperson Dorsey recommended that the committee review the previous Select Board meeting to better understand the budgetary pressures that the Sewer Fund is facing, relative to increases in the Lynn Water and Sewer Commission's assessment, among other items.

Jill Sullivan recommended that the Committee discuss the matter of the challenges facing the Water and Sewer enterprises as a separate topic at a meeting with Gino Cresta, the Director of Public Works.

Planning Going Forward

Chairperson Dorsey recommended that the committee meet with the following departments to review their budgets in more detail:

Police – Chief Madigan
Fire – Chief Archer
School Dept – Superintendent Angelakis and Martha Sybert
Department of Public Works – Gino Cresta
Facilities – Max Kasper
Community Development – Marzie Galazka

There was discussion regarding whether the Committee needed to meet with the Acting Director of the Senior Center. It was decided that it would be more beneficial to direct any questions regarding the Senior Center budget to the Town Administrator or the Select Board, since the main concerns involved vacancies and hiring.

Mr. Dorsey will schedule meetings with the above-mentioned departments/individuals for the coming weeks to review their budgets in more detail.

The committee decided to cancel their Wednesday meeting this week so that they could watch the school business administrator's FY 2021 update at the School Committee meeting.

Reports on Committees

CIC

- Meeting is next week; nothing to report currently.

Hadley Re-use

- Commercial re-use sub-group; considering retail/hotels/parking/and other potential uses.
- Affordable Housing sub-group meeting tomorrow.
- Committee meets as a whole on 4/6 to discuss the findings of the sub-groups.

School Building Committee

- Site design stage; consideration of new traffic flow in and out of Whitman Rd., as well as a parking plan and traffic flows with respect to the UU church.

Tri-Chair

- School and Town DEI position/split out
- Mr. Fitzgerald is requiring approval on any purchase greater than \$300 for the remainder of the fiscal year in response to budgetary constraints, including rising health insurance costs.
- There was discussion about grant opportunities in FY 2021 and FY 2022, and how the utilization of grant funds impacts the operating budget with regards to structural costs.
- Martha Sybert is going to be providing an update on FY 2021 finances at the next School Committee meeting

- There is progress on the renewal of the Nahant Tuition agreement; some certainty is being attained surrounding enrollment numbers for the coming years.

Old and New Business

Rail Trail Finances

Chairman Dorsey commented on the rail trail inquiries that was recently made at a previous meeting. He stated that the Community Development Director responded to the inquiry at length and in writing, which was shared with the Committee.

Although there was some subsequent inquiry, Mr. Dorsey felt that the response from town staff was sufficient and addressed the concerns at length. Mr. Dorsey stated that he felt any additional inquiry should be directed to the Town Administrator and the Community Development Director.

He recommended that the committee table any further rail trail conversation until after the budget review has been dispensed with.

Mary Ellen Fletcher desired to provide opportunity after the budget season for additional concerns to be raised regarding the rail trail.

Eric Hartmann stated that he was also satisfied with the Community Development Director's letter and did not feel that the matter required any additional action from the Finance Committee at this time.

Jill Sullivan also agreed that the Community Development Director's letter served as sufficient response to the questions asked. She did not feel that it was in the Finance Committee's interest to hold additional meetings to address questions that have already been answered.

Capital

Eric Hartmann asked if the capital budget had been released yet. Mary Ellen Fletcher stated that the capital improvement committee was still deliberating, but that she forwarded out the most recent information available from the committee for reference.

Independent Audit

Jill Sullivan asked if the audit for FY 2020 had been complete, and if the management letter was available yet. Mr. Mendes clarified that the formal financial statements are available and the management letter is expected prior to town meeting. Town Accountant Amy Sarro stated that the auditors anticipate that the audit will be finalized by the end of next week, contingent upon the release of auditing standards for the federal funds that were received in FY 2020 related to the pandemic.

On **MOTION** (Eric Hartmann) and **SECONDED** (Jill Sullivan) it was **VOTED** by **ROLL CALL** to adjourn the meeting at 8:35 PM. **ROLL CALL:** Eric Hartmann (**YES**), Joan Hilario (**YES**), Matthew Kirschner (**YES**), Cinder McNerney (**YES**), Jill Sullivan (**YES**), Mary Ellen Fletcher (**YES**) Tim Dorsey (**YES**)

True Attest,

Patrick Luddy

Patrick Luddy, Assistant Town Accountant

Minutes APPROVED by vote of the Finance Committee 4/14/2021