



Town of Swampscott
Finance Committee Meeting Minutes
March 8th, 2021 7:00 PM
Virtual Meeting

FINANCE COMMITTEE MEMBERS PRESENT

Tim Dorsey (Chair), Mary Ellen Fletcher (Vice-chair), James Goldman, Eric Hartmann, Joan Hilario, Matthew Kirschner (Present for Old and New Business and Report on Hadley Re-Use Committee only), Cinder McNerney, Gail Rosenberg, Jill Sullivan

OTHER TOWN OFFICIALS PRESENT

Michael McClung, Town Moderator, Peter Spellios, Select Board Chair, Patrick Luddy, Asst. Town Accountant

7:00 Meeting called to order

Public Comment

Andrea Calamita was recognized by the committee and asked several follow-up questions related to rail trail accounting. (See Appendix A – Summary of Comments)

Tom Palleria was recognized by the committee and asked numerous follow-up questions related to rail trail accounting, and questions related to financial oversight of the rail trail project in general. (See Appendix B – Summary of Comments)

Charles Patsios was recognized by the committee; he urged the committee to review the accounting of expenses related to the rail trail and address the questions that were raised by Ms. Calamita and Mr. Palleria.

Initial Draft of FY 2022 Budget

Chairman Dorsey encouraged the Committee to review the Select Board meetings where the FY 2022 recommended budget had been presented to the Select Board to gain insight into the discussions that had already taken place between Town Staff and the Select Board on various budget items. Furthermore, Mr. Dorsey directed the Committee to review the footnoted version of the recommended budget that town staff compiled at the request of the Select Board and subsequently shared with the Committee which supplements the information provided in the budget book.

At the next finance committee meeting, Town Administrator Sean Fitzgerald and the Asst. Town Administrator of Admin. & Finance Ron Mendes will be present to answer any initial questions the committee has on the budget. Mr. Dorsey requested that the committee prepare initial questions in advance of the meeting based on the Committee's review of the footnoted budget proposal and the Select Board meetings where the budget was presented.

Chairman Dorsey also communicate his intention to hold meetings twice a week through April to facilitate the FY 2022 budget review, and to coordinate evenings with certain department heads as needed to address questions about their budgets.

Rail Trail Project Finances

Chairman Dorsey acknowledged that Mary Ellen Fletcher requested a report of rail trail expenses from the Town Accountant Amy Sarro, which has been shared with the committee. He also acknowledged the public comments that were made earlier in the meeting, which suggested that report may not be complete.

Mr. Dorsey reiterated that the Committee is committed to ensuring that the town does not bear any of the cost of the construction of the rail trail, per the understanding surrounding the approval of the project. He also commented that a public meeting was held prior to the special town meeting on 3/1, in which a statement was made that the remaining grant funding for the construction of the rail trail was expected to be secured this year.

Mr. Dorsey acknowledged that questions were raised at special town meeting surrounding whether DPW labor was being used to support construction of the rail trail and whether any such expense would be reimbursable through construction-related grants. He expects that the Committee will be able to pose any questions they have on the matter to Gino Cresta, Director of Public Works, when he joins the Committee to review his department's budget in April.

There was further discussion regarding the urgency and timing of response to some of the concerns that had been raised surrounding the rail trail, and the committee decided to plan to submit questions and concerns to town staff in writing, and to secure written responses in short-order.

Recap of Special Town Meeting

Chairman Dorsey commended Mr. Hartmann for his delivery of a presentation on Capital at the March 1st special town meeting. Mr. Dorsey expressed some frustration with the subsequent conversation that occurred at town meeting, because the comments and questions did not necessarily align with the topic that the Committee presented. However, Mr. Dorsey did acknowledge positive feedback he received from some town meeting members and the public.

Vice-Chair Mary Ellen Fletcher also acknowledged positive feedback she received from some members of the public regarding the presentation made at Special Town Meeting.

There was broad discussion regarding planning for presentations of a similar nature at future town meetings or other venues, including comments surrounding the amount of time required to prepare for such presentations, the review process for them, and potential subject matter and format.

Reports on Committees

Liaison's Report on Capital Improvement Committee

- Collins Center methodology grid sent out to Fincom; chair of CIC wanted FinCom's opinions on project scores, if any
- Fincom may want to consider if more projects should be approved than what is on the list currently in response to the favorable interest rates available for financing.

Liaison's Report on Hadley Re-Use Committee

- Committee developed a community survey that seeks feedback from the community on some of the committee's objectives and progress.
- Survey will be distributed via various channels including town website, town newsletter, and potentially mail/newspaper.
- Committee is meeting in subgroups; Arts & Culture, Commercial, Community Engagement, and Affordable Housing.
- Mr. Kirschner is a part of the commercial subgroup.
- Subgroups will report their findings back to the re-use committee as a whole.

Old and New Business

Municipal Impact Studies

Mary Ellen Fletcher revisited comments made by Gerry Perry during public comment in a previous meeting. Ms. Fletcher was unable to find any boiler-plate content surrounding Municipal Impact Studies but suggested that the Committee request the Select Board and Town Counsel do further research, and possibly draft a by-law that would require developers to fund or otherwise provide for Municipal Impact studies related to their project proposals in town prior to the next town meeting.

Jill Sullivan commented that she did research the topic raised by Gerry Perry, and Town Counsel provided a detailed response to the inquiry which was circulated amongst the committee. Town Counsel confirmed Ms. Sullivan's suspicion that comprehensive permits are wholly under the jurisdiction of the Zoning Board of Appeals. Ms. Sullivan further explained that significant benchmarking research would need to be completed to identify characteristics of instances of development that would justify a municipal impact study.

Ms. Sullivan also commented that the amount of time required to accomplish this research does not make it a viable item to pursue for this Annual Town Meeting. She suggested that the Committee research the topic further after annual town meeting if it is an item of interest.

Coronavirus Grants

Mary Ellen Fletcher expressed a desire to better understand all the grants the town has received or is anticipating receiving, relative to the pandemic. Specifically, Ms. Fletcher commented that she wants a better understanding of how that money is being spent, what future uses are, and how the grants may impact next year's budget.

Chairperson Dorsey discussed the nature of the coronavirus grants, in that they largely cover costs that would otherwise not have been incurred. He agreed that it was a good idea to obtain

more information, specifically citing an example where the school dept. shifted operating expenses to grants when requested to reduce their budget.

Operational Costs of Proposed New Elementary School

Mary Ellen Fletcher acknowledged a request that was made in the precinct 5 caucus at special town meeting. Precinct 5 would like information regarding the operational cost of the proposed new school (crossing guards/utilities/buses/etc).

BAN Issuance

Mary Ellen Fletcher asked for clarification regarding why the town recently issued BANs as opposed to long-term bonds when interest rates are so low. Cinder McNerney hypothesized that the Treasurer likely wanted to shift the principal payment into a future fiscal year, because the BANs only require payment of interest at maturity.

On **MOTION** (Mary Ellen Fletcher) and **SECONDED** (Eric Hartmann) it was **VOTED** by **ROLL CALL** to **ADJOURN** the meeting. **ROLL CALL:** Gail Rosenberg (YES), Jill Sullivan (YES), Cinder McNerney (YES), Matthew Kirschner (YES), Joan Hilario (YES), James Goldman (YES), Eric Hartmann (YES), Mary Ellen Fletcher (YES), Timothy Dorsey (YES)

Meeting Adjourned 8:20 PM

True Attest,

Patrick Luddy

Patrick Luddy, Assistant Town Accountant

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

Appendix A – Summary of Public Comments (Andrea Calamita)

Ms. Calamita presented the finance committee with a few follow up questions relative to rail trail accounting documents that were shared with her; below is a summary of the questions asked:

- How is DPW labor allocated to the rail trail project being accounted for? Ms. Calamita noted that there was no DPW labor indicated on the accounting that was shared with her, and she asked which town resources if any were being used to cover any such costs.
- How are any payments to/from landowners that may have entered into agreements with the town relative to the rail trail accounted for, including those landowners who own property between Belleview Ave and Beach Bluff? Ms. Calamita noted that no such payments were included in the accounting shared with her.
- Where is the separate study commissioned to assess the environmental impact of the rail trail accounted for? Ms. Calamita was under the impression that the Conservation Commission ordered a study, but the cost was not reflected in the accounting that was shared with her.
- Why are expenses listed on an accounting from 2018 that she received from the Community and Economic Development department not included in the accounting that was most recently shared with her?

Appendix B: Summary of Public Comments (Thomas Palleria)

Initial Comments

- Suggested this is the first time since the referendum vote that the finance committee has revisited the referendum and associated expenditures
- Suggested the Select board has never once in the past four years provided a meaningful update on the project
- Suggested that finance committee oversight on this item, and an update from the town are long over-due
- Stated that it was recently asserted that rail trail expenditure information had been made available publicly on one of the town's websites; asked the board to correct that as a fallacy. He further claimed that to date no expenditure information related to the rail trail has been made public.
- Stated that in July of 2020 he filed a request under the freedom of information act for this information, and stated that he is in possession of email correspondence from town counsel stating that the information requested did not exist and that he could pay for that information.
- Further commented that if expenditure information was available publicly, he could have easily been directed to that information. He again asked the board to correct the statement that the information was publicly available.
- Suggested that an expenditure report the committee shared with Andrea Calamita over the weekend was incomplete and did not include expenditures from 2017 and 2018, and requested that the committee repost and make available a full accounting in detail of the project's expenses so that they could be reconciled.
- Claimed to be in possession of accounting audits from 2018, 2020, and 2021. He further claimed that the audits did not reconcile, and that items were missing over time.
- Suggested there had been a deletion of \$30,000 of expenditures related to legal line items in the accounting for this project.

Inquired about the following specific items related to rail-trail project costs:

- Direct money paid by the town for any and all takings of land and/or land rights.
- The dollar value of any and all consideration legally offered by the town to take easements over land.
- Asked why any money spent by the conservation commission related to the review of the design of the rail trail had been accounted against any other line item besides this project.
- Asked why money from town resources used to buy easements and construct the trail had been woefully overlooked.
- Asked for clarification regarding an authorization to spend \$10,000 on a construction permit for the trail. Stated that this was not authorized under the warrant and that he was unaware of any authorization to support a permit for the construction of the trail that was approved by any board in town.
- Asked if the capital improvements committee reviewed and approved the project and the expenditures associated with it over the coming three years as is their remit under the town charter.
- The town has spent great resources, both directly and indirectly, on the construction of and acquisition of easements. Once these are accounted for, he suggested the expected

expenditure of the town on the asset would be greater than \$20,000, and therefore must be subject to the approval of the capital improvement committee.

- Asked the board to consider who is paying for the consideration given to landowners for their property rights? Mr. Palleria state that by law the town must pay for eminent domain but commented that there is no accounting for this money, or the value of the consideration. Who approved this, and what appraisals support the basis?
- Asked if the town paid for - and the committee reviewed - appraisals for every single property to be impacted by eminent domain. Suggested that the town had not paid for appraisals on every single property. Further suggested that pursuant to the referendum in 2017, the town was to have all appraisals in hand before any land rights were acquired.
- Asked why the rail trail design and construction advisory committee had not met since May 19th of 2019, but the bulk of the design and engineering funds had been spent after that date. He also asked for clarification on what the real impact of that group was, and who was actively driving the project if not that group?
- Suggested that the accounting provided indicated the town had no money left for engineering and design for this project as of September of 2020. Mr. Palleria requested the finance committee stop the project immediately until the town can prove it has adequate funding to support all the design and engineering work needed to finalize the rail trail.

Closing Comments

- Suggested the only acceptable outcome for the residents of Swampscott would be a full forensic audit of all expenses to be paid for out of the budget for the rail trail project.
- Suggested that funds had been expended to date with very little oversight and requested a review of all money spent to date and any future expenditures related to the rail trail including the potential costs of eminent domain and incremental legal fees.