



Town of Swampscott
Finance Committee Meeting Minutes
Monday April 26th, 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

Graham Archer, Fire Chief; Ronald Madigan, Police Chief; Sean Fitzgerald, Town Administrator; Amy Sarro, Town Accountant; Patrick Luddy, Asst. Town Accountant

Meeting called to order 7:03 PM

Approval of Minutes

None.

Public Comments

Charlie Patsios:

- Why did the finance committee not report on Article 7 at Special Town Meeting (removal of police/fire depts from civil service)
- Asked the finance committee to clarify the costs associated with the CBA/Removal from Civil Service

Tim Dorsey directed Charlie Patsios to meeting minutes from October 29th, and November 2nd, as well as minutes from December 14th following special town meeting for documentation of finance committee discussion regarding this topic. In general, the committee deliberates whether there are financial impacts of warrant articles before making a recommendation in cases where it may be unclear. In the October 29th finance committee meeting, the Town Administrator reported to the finance committee that he did not anticipate any significant costs associated with Article 7 requiring finance committee input. This was reiterated again on November 2nd and is the basis on which the finance committee determined it was not necessary to report out on Article 7 at Special Town Meeting.

Kim Nasser:

- Commented that she felt the perception is union votes were bought with regards to passage of Article 7 and advised the committee to address that prior to the next town meeting.

Bill Dimento:

- Commented that he felt every contract/MOU has a financial impact
- Stated Police and Fire MOU's stipulate compensation relative to removal of civil service and held his position that the finance committee should have reported on Article 7.

Tim Dorsey reiterated that the finance committee as a group decided not to report on Article 7; not a combination of the Moderator, the Town Administrator, and himself.

Review of FY2022 Budget proposal, including CBA costs

Chief Madigan commented on his FY2022 budget proposal with the backdrop of the difficult year fiscal 2021 has been operationally due to the pandemic. Over the past year he has seen the least amount of sick/leave in the dept. in his 20-year tenure as chief. The department responded to over 80 protests and demonstrations ranging from peaceful to disruptive that required a lot of manpower, appx. \$76K worth. Of that, appx. \$44K has been paid from the operating budget. The police dept. is currently running slightly over budget, which is associated with a variety of contractual changes, budget changes, and changes in operational needs. Notably, the animal control department has been moved under the umbrella of the police department. This, combined with the CBA 3% COLA increase account for the increase. The department and the union has collaborated with town administration over the past few years to ensure the budget reflects efficient fiscal management. The FY 2022 budget is reflective of these efforts, and the department is dedicated to continuing them.

Eric Hartmann asked for clarification about whether the 3% COLA and the one-time payments were included in the operating budget.

Amy Sarro responded COLA included, one-time payments are not they are funded by free cash.

MaryEllen Fletcher asked for the \$ amount associated with the 3% COLA. Amy Sarro responded that the 3% is included in the budget figures presented but offered to provide the exact dollar value of the COLA later.

Jill Sullivan asked for clarification from Sean Fitzgerald and the police and fire chiefs regarding whether the overtime lines are reflective of the departments anticipated needs. Sean Fitzgerald responded stating that the recently signed MOU includes new language which removes minimum manning requirements, shifting staffing to the discretion of the police and fire chiefs. He believes that this will allow the department to more efficiently staff their public safety functions and generate efficiencies within the budget and the department.

Eric Hartmann asked for confirmation that the budget adequately funds over time and that the department is covered if no savings are realized from the change in the contract language in Fiscal 2022.

MaryEllen Fletcher asked for clarification on the cost savings associated with hiring without civil service vs with, and if Chief Madigan had any specific figures relative to savings. Chief Madigan stated that he did not have estimates of what the savings would be.

MaryEllen Fletcher asked if Chief Madigan needed funding for testing; Chief Madigan responded that there are different approaches to testing. The applicant may bear the cost of the testing, in which case it will not cost the town anything.

Jill Sullivan commented that there is no \$0 cost hire; the process that is already in place has cost and it would be nice to have a figure for the delta between the old method and the new. Sean Fitzgerald stated that the Human Resources department handles a lot of the hiring procedures currently. He has spoken to communities who have gone through the civil service transition who have recognized savings; we will explore in-house options.

MaryEllen Fletcher reiterated that she wanted clarification in the future about the costs associated with the hiring process, and that she personally would hate to see the cost of testing fall on the applicant. Chief Madigan clarified that the current process is funded by the applicant.

Chief Archer summarized the last year of operations. There was no increase in time-off etc over the past year as the department had a lot of responsibilities relative to the pandemic response. He stated that the dept is well ahead of where it typically is for overtime costs this year which is reflective of the increased labor burden of the pandemic. Chief Archer worked with the administration to make some reductions in certain areas to come up with a thoughtful budget that provides the dept. with what they need to get the job done while avoiding significant cost increases overall for the fire dept in Fiscal 2022.

Chief Archer also spoke briefly on the procedures and work that went into removing the Police and Fire unions from the Civil Service and how significant and important that change is.

Chief Madigan echoed Chief Archer and commended the Unions for working with administration to make the move away from Civil Service. The system is 100 years old and limits the pool of applicants that the town could consider for its public safety positions. Who you hire/promote etc. is critical to the police function. Chief Madigan found the Civil Service process frustrating over the past 20 years and recognized the significance of the change for the existing members of the department.

MaryEllen Fletcher asked Chief Archer to explain the increase in the Overtime/Minimum Manning line in the fire dept. budget for FY 2022, relative to the recent MOU which removes Minimum Manning language. Chief Archer responded that the MOU affords the Chief the discretion to staff adequately and in line with regulatory requirements i.e. Apparatus minimum manning and winter staffing. The dept. lacks experience with the discretion so the increase is in line with salary increases and does not assume any savings in Fiscal 2022.

Sean Fitzgerald commented that the appropriation for the CBAs needs to be made at Town Meeting in order for the changes to take effect, otherwise the town is required to maintain the

conditions of the existing contract and there will be no changes to Minimum Manning, requiring it to be funded fully.

Chief Madigan commented briefly that the policing needs of the Town have changed a lot over the recent years, so the flexibility that the change to the CBA affords the departments increases management's ability to respond to shifting needs.

MaryEllen Fletcher commented that she was under the impression the Fire and Police department had operational requirements outside of minimum manning to which Chief Archer responded that there were certain requirements of that nature that they need to staff and therefore fund.

Tim Dorsey asked if there were any models for possible scenarios that could be shared to theorize and express the cost/savings associated with the minimum manning change documented in the MOUs.

Sean Fitzgerald responded that he is working with the Chiefs to create models that project out different scenarios relative to adequate and efficient staffing of the departments.

Chief Archer briefly responded that there are opportunities to better manage Overtime, Minimum Manning, and other costs in the department. Chief Archer assured the committee he would give his best effort to manage to budget, but there is unpredictability in the nature of the town's needs for the fire dept.

Chief Madigan also responded with a summary of changes in the response needs of the town i.e. significant increase in frequency and size of scams that are being perpetrated in town that require significant specialized resources. He is optimistic that cost savings could be realized over the next year, and that the members of the dept will work with the chief to produce solutions to the challenges that the department faces. Chief Madigan recognized that the members of the department recognize the value in change.

Sean Fitzgerald commented that minimum manning Avg OT rate for the fire dept is \$65, savings of one officer overtime reduction is \$37,000 to overtime; Police dept Avg OT rate is \$70. The expectation is not that the dept's response will not be impacted, but that the Chiefs will staff the depts in a more efficient manner, which realizes savings in the cost of contract, and frees up funds for investments that can be made in the town. The mandatory, guaranteed overtime is being removed from the contracts, and management's judgement will govern the staffing levels, and therefore the associated costs.

MaryEllen Fletcher asked Sean Fitzgerald if he felt that the removal of minimum manning clause from the CBAs will result in \$80,000 savings. Sean Fitzgerald stated that the preliminary analysis that has been done indicated savings of appx. \$80,000, however there are no guarantees. There will be better opportunity to model savings once the town has some experience with how the change in deployment of human resources impacts costs.

MaryEllen Fletcher thanked Sean Fitzgerald for his comments and reiterated that she would like more information to inform the committee should questions regarding the topic arise at town meeting. She also asked the cost of the one-time payments in case it comes up at special town meeting. The police and fire depts have 32 union members each; the cost is appx. \$320,000; \$160,000 in FY 2022 and \$160,000 in FY 2023 per the MOU.

MaryEllen Fletcher asked for clarification on the language in the MOU; the payments are listed as costs relative to the move away from Civil Service. Sean Fitzgerald commented that the payments were negotiated relative to the move away from Civil Service, as well as other contract changes. Sean Fitzgerald also responded that the return on the one-time payments will take 2.9yrs appx. to realize. The savings may or may not materialize relative to staffing needs over the next few years. i.e. this year we had to staff at extraordinary levels.

MaryEllen Fletcher asked for clarification about what happens if the MOU payments are not passed at town meeting. Sean Fitzgerald stated that he would need to renegotiate with the unions if the town did not fund the payments.

Sean Fitzgerald also commented that the public safety departments are going to be able to uphold the standards of service and professionalism much better by leaving civil service.

Cinder McNerney asked for clarification on the amount that Town Meeting will be asked to appropriate from free cash for the one-time payments for the police and fire depts.

\$152,500 for FY 2022 is what is being asked for the in warrant. The second \$152,500 would be appropriated next year for FY 2023. Cinder McNerney asked for clarification about what would happen if Town Meeting next year did not appropriate funds for the Fiscal 2023 payment. Sean Fitzgerald clarified that the union would likely file a claim with the JLMC and they would respond to that claim. Saen Fitzgerald commented briefly on the good faith bargaining that was done to achieve the changes documented in the MOU.

Tim Dorsey asked for clarification about the language in the MOU relative to the Union's ability to renegotiate the terms of the Minimum Manning clause if they disagree with the Chief's management of staffing. Sean Fitzgerald commented that the language provides the Union with opportunity to bargain the change in the staffing conditions. Sean Fitzgerald further stated that he likes to keep the opportunity to renegotiate the union contracts in good faith if there are concerns about the minimum manning change once it takes effect, although he does not anticipate challenges. If members of the union had ideas about better ways to manage staffing, the language in the MOU provides that opportunity.

Steve Iannacone was recognized in the meeting. He commented briefly on statements that were quoted in an article in The Swampscott Reporter relative to the one-time payments that were negotiated in the MOUs for the police and fire contracts.

The Police and Fire Chief left the meeting.

MaryEllen Fletcher suggested the Police budget be amended; specifically, she requested the increase in the Police Chief line be moved to the salary reserve budget, so the funds are available but documented elsewhere. Sean Fitzgerald commented that he desires to advertise the police chief position at a certain range with confidence if the best candidate is highly qualified and needs to be hired at the higher rate. There was some additional discussion amongst the committee about the topic; ultimately MaryEllen Fletcher withdrew her recommendation.

Tim Dorsey briefly summarized the committee's agenda for the other two meetings that are scheduled for Tuesday and Wednesday this week, which include capital, budget, and staffing discussions.

Sean Fitzgerald commented briefly that he spoke to Pamela Angelakis, Superintendent of Swampscott Public Schools regarding the DEI position the town added to the HR department. She had assured Sean Fitzgerald that the school will cover 30% of the cost of the DEI coordinator.

Jill Sullivan asked Sean Fitzgerald to comment on the hiring strategy/timing relative to the DEI hire and the HR Director hire. Sean Fitzgerald commented that both will be hired at the same time.

Joan Hilario responded to Jill Sullivan stating that organizations she works with often DEI coordinators report directly to the C-suite rather than the HR Director, so it may make sense to hire concurrently given the difference in function of the two roles.

Cinder McNerney asked Sean why he does not recommend using a consultant to develop the DEI position prior to the DEI coordinator hire. Sean Fitzgerald commented that developing the program internally has cost savings and has potential to benefit the town better. He also commented on the work that has been done by a consultant the town hired as well recently to activate some restorative justice initiatives.

MaryEllen Fletcher asked if there was a consulting firm that could help hit on other goals associated with DEI relative to affordable housing, schools, and all the other facets relative to DEI. Sean Fitzgerald commented that his desire is to hire an individual that reflects a level of professionalism and experience with DEI that will address the DEI priorities of the town.

Jill Sullivan commented that her experience with companies as opposed to individuals have a set of approaches for different entities. She stated that having an individual embedded in the community will deliver a more valuable result as opposed to a consultant. She also stated that it would benefit the committee to understand the cost/benefit of alternatives such as consultants anyways.

Joan Hilario commented that some organizations utilize consultants to seek professional advice for a short period of time before bringing the function in house to act on the findings of the consultant and deliver actionable results.

On **MOTION** (Jill Sullivan) and **SECONDED** (Cinder McNerney) it was **VOTED** by **ROLL CALL** to adjourn the meeting at 8:55 PM.

True Attest,

Patrick Luddy

Patrick Luddy, Treasurer/Collector

Minutes APPROVED by vote of the Finance Committee 9/27/2021