



**Town of Swampscott**  
**Finance Committee Meeting Minutes**  
Monday August 2<sup>nd</sup>, 2021 – 7:00PM  
Virtual Meeting

**FINANCE COMMITTEE MEMBERS PRESENT**

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

**ABSENT**

Matthew Kirschner, Jill Sullivan, Gail Rosenberg

**OTHER TOWN OFFICIALS PRESENT**

Peter Spellios, Chair, Selectboard; Amy Sarro, Director of Administration & Finance; Patrick Luddy, Treasurer/Collector

Meeting called to order 7:02 PM.

Public Comments

None.

Approval of Minutes

Minutes from 4/26 require additional revision and will be resubmitted to the committee for approval at a future meeting.

On **MOTION** (Joan Hilario) and **SECONDED** (MaryEllen Fletcher) it was **VOTED** to approve minutes from 4/14/21, 4/27/21, 4/28/21, and 5/3/21.

**ROLL CALL:** Tim Dorsey (YES), MaryEllen Fletcher (YES), Eric Hartmann (YES), Joan Hilario (YES), Cinder McNerney (YES).

Fincom Letter to Town Meeting

Tim Dorsey commented that there was discussion at a recent Tri-Chair meeting surround the idea of the finance committee mailing a letter to town meeting members in advance of the town meeting warrant with key points and the financial rationale/analysis behind the finance committee recommendations on the article.

Tim Dorsey's agreed to draft the letter and circulate it amongst the committee for input and revision.

Cinder McNerney asked Tim Dorsey if he felt the finance committee would prepare a letter to be mailed in advance of town meeting, as well as the typical letter the committee prepares for inclusion in the warrant booklet.

MaryEllen Fletcher was concerned about the content of the letter, in terms of the fact that estimated operating costs of the new school are still unknown and the committee was not involved in deciding what format of a new school was the best option.

Eric Hartmann agreed with MaryEllen Fletcher; he was comfortable including in the letter why the committee came to its recommendation regarding financing based on the option for a new school that was presented, but that opinions on the merits of the school itself such as location, size etc. shouldn't be included in the letter because the finance committee was not involved in how the plan for the new school was arrived at.

Eric Hartmann commented that the committee will be expected to opine on the affordability of the new school project in its letter. Cinder McNerney agreed with Eric Hartmann's comment and elaborated that it should be pointed out to town meeting that the project is affordable relative to the financing costs, however, it should be clear that the estimate operating costs are currently unknown as MaryEllen Fletcher had brought up.

MaryEllen Fletcher recapped that it was a separate committee's function to evaluate different options for a new school and come up with a recommendation. The finance committee did not evaluate the financial merits of each option that was explored by that committee. The Finance Committee to date has focused on reviewing the affordability of the financing related to the new school project that was ultimately put forth.

Cinder McNerney commented that the letter should highlight the significant savings achieved through acceleration of bond issuance.

Joan Hilario commented that the finance committee should also communicate to town meeting members the financial impacts that will arise in future years should the new school project not be approved. She felt providing three or four data points would be helpful on this front.

Cinder McNerney agreed with Joan Hilario's comment.

Tim Dorsey stated that he would work on a first draft of the letter and circulate it to the committee, the goal being to wrap up the letter and have it ready to mail by August 21<sup>st</sup>.

#### Updates on FY22 Water/Sewer Rates

MaryEllen Fletcher asked Patrick Luddy what the definition of a base rate is. Patrick Luddy responded that a base rate covers a portion of fixed costs in water/sewer systems, and is a revenue stream that is insulated from fluctuations in consumption, as opposed to consumption rates which are dependent upon consumption and can fluctuate and result in shortfalls in conservation situations.

MaryEllen Fletcher asked Patrick Luddy to clarify if large condo buildings or commercial properties are charged that same base rate as a single-family residence. Patrick Luddy stated that

base rate is charged per meter, and therefore a large building or commercial property, although serving multiple units, pays the same base rate as a single-family residence.

MaryEllen Fletcher asked Patrick Luddy how storm water is handled. Patrick Luddy responded that the stormwater system is completely independent of the sewer system, storm water is not processed or treated like sewage is, and the costs associated with the stormwater system are captured in the general fund.

MaryEllen Fletcher commented that she felt for a multi-unit property, charging a base rate per unit seemed to make sense. Patrick Luddy responded that the Water/Sewer Advisory committee considered that, but was determined to be not possible administratively. The alternative that was discussed includes tiering consumption in a manner that achieves the same net dollar effect to accounts with multiple units as adding a multiple to the base rate on individual accounts.

The water/sewer rate recommendations will be discussed at tomorrow's Selectboard meeting, and Tim Dorsey encouraged committee members to watch that meeting.

#### Financial Summit on Development

MaryEllen Fletcher commented that she felt December or January was too late for this meeting to occur. She suggested October/November would be more appropriate.

MaryEllen Fletcher also stated that she is alarmed at the plan for the Elm St. Development in a highly congested area of town, however, did make clear that she fully supports affordable housing and thinks the town should be purchasing property to help develop affordable housing.

Joan Hilario agreed that December/January timing for this meeting is too late, and suggested a meeting take place in the Fall between the groups in town that do not typically meet together (i.e. fincom/planning/cic) to discuss the impacts development have on infrastructure, schools, traffic, etc.

Cinder McNerney agreed with Joan's comments and liked the idea of establishing an agenda for a joint meeting that will address the questions the finance committee has regarding the financial impacts of development and how the committee can provide input on proposed developments, in advance of a larger scale summit-style meeting.

MaryEllen Fletcher suggested scheduling a meeting with the Planning Board in September to discuss the planning process.

September 27<sup>th</sup> was suggested as a possible date for this meeting; MaryEllen Fletcher stated that she would reach out to Angela Ippolito, Chair of the Planning Board to coordinate.

#### Old and New Business

MaryEllen Fletcher brought up a prior conversation regarding the town's representative to the Essex Tech Regional School and expressed interest in having that individual come to a finance committee meeting some time in the near future to discuss how finances are controlled relative to the school assessment. MaryEllen Fletcher also brought up a prior conversation surrounding the

need for a discussion with elected officials regarding the need for increased state aid for the school department.

MaryEllen Fletcher also reminded the committee that a conversation about an override still needs to take place.

On **MOTION** (Joan Hilario) and **SECONDED** (Cinder McNerney) it was **VOTED** to adjourn the meeting at 8:21 PM.

True Attest,

*Patrick Luddy*

Patrick Luddy, Treasurer/Collector

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