



**Town of Swampscott**  
**Finance Committee Meeting Minutes**  
Thursday August 26<sup>th</sup>, 2021 – 7:00PM  
Virtual Meeting

**FINANCE COMMITTEE MEMBERS PRESENT**

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

**ABSENT**

Jill Sullivan, Gail Rosenberg

Meeting called to order 7:05PM

**Public Comment**

None.

**Special Town Meeting Articles**

*Letter to Town Meeting*

Eric Hartmann asked Tim Dorsey to clarify why the maximum tax impact per \$100,000 was included in the letter, and not in terms of \$1,000 which is how the town's tax rate is presented.

Tim Dorsey stated that he thought the impact in terms of \$100,000 of value was easier for people to understand vs. impact per \$1,000. Cinder McNerney agreed with Tim Dorsey.

Cinder McNerney commented that the recently received operating expense estimates associated with the new school should be referenced in the committee's letter to town meeting.

MaryEllen Fletcher commented that the financial impact of acquiring the easement should be addressed as well either in the committee's letter to town meeting or at town meeting.

Tim Dorsey deferred to Peter Spellios regarding the costs associated with the acquisition of the easement.

Cinder McNerney commented that she felt the acquisition of the easement should have been listed separately in the warrant because the cost of a taking, if necessary, is unknown.

Peter Spellios responded to Tim Dorsey, stating that the MSBA and the SBC approved this project with the assumption that the easement would be acquired as it is integral to the project.

Peter Spellios elaborated that the amounts necessary for acquisition of the easement are budgeted for in the total project cost for the new school project listed in Article 2.

Cinder McNerney asked Peter Spellios to clarify if easement acquisition is a cost that is eligible for MSBA state aid. Peter Spellios stated that all land acquisition costs are considered ineligible costs for purposes of MSBA reimbursement.

Cinder McNerney asked Peter Spellios to define the scope and size of the easement.

Peter Spellios responded to Cinder McNerney stating that information is subject to legal opinion and did not provide an answer. However, he stated that the easement is designed as an egress for vehicular and pedestrian traffic.

MaryEllen Fletcher asked Peter Spellios to clarify if the MSBA would typically hold up project funds in situations where components of a project become subject of a legal dispute.

Peter Spellios responded to MaryEllen Fletcher stating that he was unsure what nature of legal dispute she was referring to specifically, but that in the case of the easement the dispute would be strictly surrounding compensation and not legal right.

Peter Spellios did clarify that there are other types of challenges which could delay the progression of a project. For example, the high school project was delayed for several months due to appeals surrounding approvals and permits, and the project did not progress until those disputes were resolved.

Cinder McNerney began a discussion on the school's estimated operational costs, provided by Martha Sybert, Swampscott Public Schools' Director of Finance, specifically regarding the necessity of busing.

Peter Spellios summarized the radius of distance from the school that impacts the estimates of busing necessities. School staff is engaged in conversations with the town's vendors to identify further efficiencies. The superintendent is also considering staggering start times at different schools to gain additional efficiencies that may mitigate some of the operating costs and traffic concerns.

MaryEllen Fletcher stated that it would be good to review the operational costs with Martha Sybert at the committee's next meeting to walk through her memo regarding the costs of the new school. Specifically, MaryEllen Fletcher stated that she would like to see what the estimated maintenance costs are of the new school and whether that improves the situation.

Tim Dorsey agreed with MaryEllen Fletcher and stated that he would also like to have Martha Sybert join a finance committee meeting and roll-up the net cost of the existing schools and the new schools for the committee.

Cinder McNerney commented on that statement in the finance committee's draft letter regarding the savings associated with accelerating debt issuance (Letter references \$3M of savings). Cinder

McNerney felt that it would be prudent to also show the savings attributable to the interest rate environment as well.

*Article 2 – Appropriation for New Elementary School and Acquisition of Necessary Easements*

Tim Dorsey asked the committee for comments on Article 2.

MaryEllen Fletcher commented that she was unsure why the addition of the easement language was made to Article 2 because the cost of the easement had not been discussed previously.

Peter Spellios commented that the amount town-meeting is being asked to appropriate for the new school in Article 2 includes the all-in capital cost of the new school, including items such as easements, site improvements, building improvements, etc. and there are no separate items to appropriate relative to the project.

On **MOTION** (MaryEllen Fletcher) and **SECONDED** (Joan Hilario), the finance committee recommended **FAVORABLE ACTION** on **WARRANT ARTICLE 2**.

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

*Article 1 – Authorization to Impose Deed Restriction*

Tim Dorsey summarized for the committee the content of article 1, which is an authorization to impose deed restriction on the Hadley School property contingent upon town-wide vote to approve the debt exclusion for the new school project.

Eric Hartmann asked if the restriction also prevents 40B projects.

Tim Dorsey responded that the proposed deed restriction would prevent traditional 40B projects, however if the town pursued an affordable housing use for this property, a “friendly-40B” with 100% affordable housing would be possible.

Matthew Kirschner briefly summarized the work of the Hadley Re-Use Committee, which developed three options for re-use including: mixed-use, affordable housing, and hospitality uses.

MaryEllen Fletcher asked for clarification regarding how the deed restriction is tied to the debt exclusion vote. Tim Dorsey clarified that the authorization under article 1 is contingent upon a town-wide affirmative vote on the debt exclusion for the new school.

MaryEllen Fletcher state that she was unclear why the Article needed to be acted on now and couldn't be deferred to a future town meeting. MaryEllen Fletcher also stated that the committee is charged with commenting on the best financial action to take, and that has yet to be analyzed.

Cinder McNerney questioned whether lease revenue from a potential use of the Hadley school property could be used to further reduce the excluded debt-service from the proposed school construction project.

Tim Dorsey commented that the conversation surrounding the creation of the Hadley Re-Use committee included comments about the unique historical importance of the building and its central location, as well as the frustration that may exist in town surrounding recent development i.e. market rate housing.

Joan Hilario commented that the conversation surrounding the creation of the Hadley Re-Use committee included the desire to identify creative re-use options that had utility and financial benefit to the town that is comparable or better than market-rate housing.

Cinder McNerney asked Matthew Kirschner if the Hadley Re-Use Committee reviewed any revenue associated with the options that they developed.

Matthew Kirschner responded that some preliminary calculations were done at a high-level.

Cinder McNerney asked Matthew Kirschner what the process will be to move forward with any potential re-use of the Hadley school property.

Matthew Kirschner and Tim Dorsey responded regarding the RFI process that was discussed at the Select Board meeting on 8/24 during the Hadley Re-Use committee's presentation, which helps gauge market interest for different uses and would likely be the next big step towards the buildings potential use.

Joan Hilario reviewed with the committee comments that were made at a December 2020 meeting of the finance committee regarding the establishment of the Hadley Re-Use Committee.

Peter Spellios commented that Article 1 puts the decision regarding market-rate housing in the hands of Town Meeting, rather than the Select Board.

MaryEllen Fletcher stated that she felt uncomfortable voting on this article without additional discussion.

Cinder McNerney suggested that the committee report on the article at town meeting in lieu of making a vote tonight.

Joan Hilario commented that town meeting authorized restricting the charge of the Hadley Re-Use Committee to exclude market rate housing, and that not supporting Article 1 for the market-rate housing exclusion may be perceived as second-guessing a decision of town meeting.

MaryEllen requested more time to discuss the topic of Article 1 and report at town meeting.

The next meeting of the finance committee will be scheduled for Tuesday the 31<sup>st</sup> at 7pm. Martha Sybert will join the meeting to discuss operating costs associated with the new school, and the committee will revisit recommendations for Article 1.

On MOTION (Joan Hilario) and SECONDED (MaryEllen Fletcher) the meeting was ADJOURNED at 9:04PM.

True Attest,

*Patrick Luddy*

Patrick Luddy, Treasurer/Collector

*Approved by vote of the Finance Committee 9/27/21*