



Town of Swampscott
Finance Committee Meeting Minutes
Tuesday August 31st, 2021 – 7:00PM
Virtual Meeting

FINANCE COMMITTEE MEMBERS PRESENT

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

ABSENT

Matthew Kirschner, Jill Sullivan, Gail Rosenberg

OTHER TOWN OFFICIALS PRESENT

Pam Angelakis, SPS Superintendent; Martha Sybert, SPS Director of Finance, Sean Fitzgerald, Town Administrator; Amy Sarro, Director of Administration & Finance; Patrick Luddy, Treasurer/Collector

Meeting called to order 7:03PM

Public Comment

None.

Estimated Operating Costs of the New School

SPS Director of Finance Martha Sybert provided an overview of the estimated operating costs for the new school:

Staffing

- Class sizes of appx. 18 students anticipated; do not anticipate a material change to FTE/headcount

Operational Costs (FY22 Dollars)

- Ground Source Heat Pump (GSHP) is a green and sustainable option for heating which was selected by the School Building Committee.
- The current cost assumptions do not include any potential savings that leveraging solar could be yield.
- Current annual utilities are appx. \$143K.
- Project is currently in schematic design phase; projections will be refined and are expected to improve as project progresses.
- Total Cost Hadley/Stanley in FY21 is \$128K for natural gas/electricity; new school is \$143K. Appx. 11.6% increase.

- No consistent repair and maintenance program for current elementary schools.

Transportation

- Building location is optimal; small cohort of students will need mandated transportation (>2mi from the school) ~ one incremental bus @\$68K/yr
- Start/dismissal times for elementary/middle schools can be adjusted
- Decreasing busing radius to 1.5 miles requires an additional 3 incremental buses at appx. \$205K annually.

Budget Implications

- No reduction in teachers/educators in the new elementary schools
- Incremental operating cost sums to appx. \$342K or roughly 1% of the school department's budget.
- District does not anticipate requesting additional operating funds to support the new school.

MaryEllen Fletcher asked Martha Sybert if she was concerned about the increase in the operating costs considering the majority of the school's operating budget is salary.

Martha Sybert stated that given projected retirements over the next five years; there will be salary savings when new teachers are brought on board at a lower step.

Cinder McNeerney advised that solar agreements associated with the new school building project should be vetted by bond counsel to ensure that they do not jeopardize the tax-exempt status of the bonds financing the project before they are entered in to.

Tim Dorsey asked Martha Sybert to keep the committee informed of the operating cost projections for the new school as they are refined during the project process.

Cinder McNeerney asked Martha Sybert if there has been any study of potential bus routes and their impacts to traffic.

Martha Sybert stated that current bus routes from the middle school make three stops and there is opportunity to achieve synergies between stops in different areas of town to alleviate any traffic concerns, however those details have not been worked out yet at this point in the project.

Tim Dorsey asked the committee if there was any other discussion on this topic.

MaryEllen Fletcher asked to discuss how the operating costs of the new school would be articulated to Town Meeting in September.

Tim Dorsey stated that he anticipated delivering a presentation to town meeting in September, and that some highlights from Martha's presentation and memo would be incorporated into that presentation.

Potential Recommendations for September STM Art#1

Authorization to Impose Deed Restriction

Town Administrator Sean Fitzgerald reiterated that the Select Board assembled the Hadley- Re-Use committee in order to determine the future productive use of the Hadley property.

Tim Dorsey commented that the article would allow the Select Board to record a deed restriction on the Hadley property. An RFI would be issued to explore interest in different reuse options that were vetted by the Hadley Re-Use committee. The Hadley school will be in use for at least the next two years.

There was discussion amongst the committee regarding the lack of information on the financial merits of the re-use options for the Hadley Property, specifically around market rate housing which the Re-Use committee was precluded from evaluating as an option.

MaryEllen Fletcher suggested that the committee perhaps not support Article 1 on the basis that the financial impacts of all the potential uses of this property were not reviewed by the committee or commented on prior to 12/14.

MaryEllen Fletcher also commented that the report prepared by the Hadley Re-Use Committee does not incorporate a comprehensive revenue analysis for each re-use option that was explored so it is not clear at this time which re-use would be the most advantageous to the town from a financial standpoint.

Eric Hartmann responded to MaryEllen's comments, and inquired whether the re-use of the Hadley School for any purpose in general is a town-meeting decision or a decision that the Select Board would make.

Tim Dorsey responded that the Hadley Re-Use committee does not have decision-making authority. Who has decision-making authority depends on the breadth of the change being made to the use of the property, and at a minimum would have to be approved by the Select Board, however changes sometimes would need to be made by town meeting dependent on their nature.

Sean Fitzgerald reiterated that the Article is intended to secure a public/not-for-profit use of the Hadley property and help better support the civic needs of the town. He also stated that it would be important for the Finance Committee to weigh in on this article.

MaryEllen Fletcher responded that the Finance Committee would be weighing in on this article because that is its role at town meeting, however Market Rate housing was excluded from the scope of the re-uses explored by the Hadley Re-Use Committee which presents a challenge.

Cinder McNerney commented that she felt the Finance Committee has a responsibility to report to town meeting on Article 1.

Tim Dorsey mentioned that the reasons to support Article 1 may be more relative to civics and politics than finances. The Article takes Market Rate housing off of the table, and there are financial benefits that have yet to be defined for the options that are presented, and how those

differ from the financial benefits of market rate housing is unknown. It may be an option for the committee to not make a recommendation on Article 1.

MaryEllen Fletcher felt that because Article 1 does have financial implications, and that Market Rate housing was not studied as a potential re-use, and there was no financial basis to exclude market rate housing from the study, the finance committee should not support Article 1.

Tim Dorsey suggested that because there is an undefined financial implication of this article, and the reasons to support this article would be relative to policy rather than finances, the committee should consider not taking a position on the article.

Cinder McNerney asked for clarification on the process for Re-Use of the Hadley school.

Tim Dorsey clarified that if Article 2 passed, the Select Board would be authorized to place a restriction on the Hadley School property to restrict it from being reused for market rate housing. The next step would be to put out an RFI and seek input from the market to move the process forward. If re-use required a sale of asset that would have to be brought before a future town meeting.

MaryEllen Fletcher stated that her understanding is Article 1 is included in the warrant to help with passage of Article 2, even though there is no urgent need for this article because the building will be occupied by the school department for at least the next few years.

MaryEllen Fletcher again reiterated that she felt the Finance Committee could not possibly support Article 1 without being first presented good quality financial information with regard to market-rate housing and the re-uses explored by the Hadley Re-Use Committee.

Sean Fitzgerald suggested the Finance Committee invite the chair of the Hadley Re-Use committee to meet with them and answer some of their questions. He contrasted the opportunity to re-use Hadley for a civic purpose with the Old High School which sat vacant many years.

Tim Dorsey commented that from a strictly financial standpoint it is likely that the Article would not make the most sense for the town in that it takes an option off the table. However, he clarified and acknowledged that the other uses for the property will have other benefits, financial and otherwise, and the costs associated with market rate housing and the other uses are unknown. He stated that he was not sure he could justify a recommendation one way or the other as a recommendation would imply that we foresee a mainly positive or negative financial impact.

Cinder McNerney felt that it may make the most sense to recommend indefinite postponement on Article 1 because the financial information necessary is not available.

Tim Dorsey commented that the deed restriction is not permanent in that it can be removed in the future by vote of town meeting.

MaryEllen Fletcher responded that this creates another step to allow market rate housing in the future if analysis is performed and that is what town meeting desires.

Tim Dorsey responded that the re-use of the building will be up to town meeting no matter what, and the final decision to build market-rate housing, based on what was heard at the last meeting, would not be in the hands of town meeting.

Sean Fitzgerald recommended that the committee take no position on the Article and allow the Selectboard to report on the article from a policy standpoint.

Tim Dorsey is supportive of taking no position on article 1, as opposed to recommending indefinite postponement which based on past practice is perceived as non-support by the committee. He reasoned that market rate housing is not completely taken off the table, and if interest in market rate housing increased in a few years then it could be revisited again, although he was not certain of the steps that would be required at that point.

Cinder McNerney asked if the RFI would go out without market rate housing, and if so whether market rate housing would be excluded from the RFI with or without affirmative vote on article 1. Tim Dorsey commented that he was unsure whether the RFI would exclude proposal of other uses for the property.

On **MOTION** (Eric Hartmann) and **SECONDED** (Joan Hilario) it was **VOTED** that the Finance Committee **REPORT** on Article 2 but **NOT MAKE A RECOMMENDATION** to town meeting.

ROLL CALL: Tim Dorsey (**YES**), MaryEllen Fletcher (**NO**), Eric Hartmann (**YES**), Joan Hilario (**YES**), Cinder McNerney (**NO**)

Old and New Business

There was brief discussion a letter received from the UU church regarding the easement that is proposed in article 2 and the cost associated with the easement.

MaryEllen Fletcher and Cinder McNerney desired to discuss as a group the specific costs associated with acquiring the easement, however it was unclear whether the committee had the authority to call an executive session on the matter. Tim Dorsey will follow-up.

On **MOTION** (Eric Hartmann) and **SECONDED** (Cinder McNerney) it was **VOTED** to **ADJOURN** the meeting at 8:38PM.

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

True Attest,

Patrick Luddy

Patrick Luddy, Treasurer/Collector

Approved by vote of the finance committee 9/27/21