



**Town of Swampscott**  
**Finance Committee Meeting Minutes**  
Monday December 21<sup>st</sup>, 2020 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, Cinder McNerney, Gail Rosenberg, Jill Sullivan

**OTHER TOWN OFFICIALS PRESENT**

Polly Titcomb, Vice-chair Select Board; Sean Fitzgerald, Town Administrator; Ron Mendes, Asst. Town Administrator Admin & Finance; Patrick Luddy, Asst. Town Accountant

7:01 PM Meeting called to order

The Finance Committee began their review of the draft financial guidelines, starting with the budget development and financial forecasting section.

Ms. Fletcher asked Mr. Mendes if there was a reason that the new growth assumption limit was \$425,000 under the general fund development subsection; Mr. Mendes explained that it can fluctuate year-to-year, and that the number can be revisited in the future but that \$425,000 is reflective of what is happening now.

Mr. Dorsey asked that Mr. Mendes add language to clarify that the \$425,000 figure specifically pertains to new growth, and not total growth.

Ms. McNerney asked Mr. Mendes if the committee needed to add language that explains what would happen if a school debt exclusion failed to pass town meeting vote, relative to a broader conversation about the circumstances under which excess levy capacity should be used. Mr. Dorsey suggested the committee consider this as its own agenda item at a future meeting.

Ms. Fletcher suggested changing language in the guidelines for expenditure assumptions on page ten of the draft, under the general fund subsection. The committee requested Mr. Mendes include a definition of zero-based budgeting in the list of possible budgeting methods.

Ms. Fletcher requested that Mr. Mendes add additional language to the FTE review subsection that requires the Town Administrator to notify the finance committee of additional staffing needs.

There was some discussion regarding the timeline for warrant article development. The committee requested language be added to the list of key dates relevant to the operating budget timeline on page eleven of the draft. The added language requires that all other financial warrant articles be shared with the finance committee in a timely basis, to allow for adequate review by the committee in advance of town meetings.

Under the enterprise fund subsection, the committee requested that Mr. Mendes amend the guidelines for expenditure assumptions subsection to describe the budgeting process more accurately, and not limit it to a zero-based budget method which is not current practice.

Ms. Sullivan and others expressed interest in adding language that documents the public's access to the decision-making processes via regular, open meetings held by the various boards and committees in town.

There was discussion surrounding several capital projects authorized in recent years that were not utilized in a timely fashion. Subsequently, the committee requested that Mr. Mendes add language that outlines the specific support that department heads are required to submit to the CIC when requesting projects i.e., quotes and other analysis.

The committee also requested that Mr. Mendes add language stipulating that the finance department will periodically submit to the finance committee a report of capital and grant expenditures.

Ms. McNerney requested that Mr. Mendes remove language requiring that financing qualify for tax-exempt bonds, the justification being that taxable bonds may from time-to-time be advantageous to utilize. She also requested Mr. Mendes rephrase section A.4 under the debt financing subsection to clarify that by law, issuing debt for recurring expenses is forbidden.

Under section F.1, the finance committee was added to the list of groups that are notified of the town's debt status at least annually.

Ms. McNerney suggested Mr. Mendes amend section F.4 to require the town to file their annual audit and disclosures within 180 days of the end of the fiscal year.

In the financial reserves section, Chairperson Dorsey suggested Mr. Mendes change the language regarding the one-time uses of free cash to include more specific examples. He also suggested changing the language to broaden the uses of excess free cash.

There was some discussion amongst the committee regarding what an appropriate target range for overlay surplus would be, as this is not covered in the existing draft of the financial reserve subsection of the document. The committee requested Mr. Mendes gather more information on what comparable towns use as a target range for their overlay surplus account.

There was also discussion amongst the committee surrounding verbiage in the OPEB liability policy subsection – the committee requested removal of language that suggested the town was

bound to funding the OPEB liability. Chairperson Dorsey suggested that town counsel review the language.

Possible agenda items for future meeting: Discussion on Policy for Unused Levy Capacity, Continued discussion of Draft Financial Policies – Operating Section

On **MOTION** (Jill Sullivan) and **SECONDED** (Joan Hilario) it was **VOTED** by roll call to adjourn the meeting. Roll Call: Mary Ellen Fletcher (YES) Eric Hartmann (YES) Joan Hilario (YES) Matthew Kirschner (YES) Cinder McNerney (YES) Gail Rosenberg (YES) Jill Sullivan (YES) Tim Dorsey (YES)

8:55 PM Meeting Adjourned

True Attest,



Patrick Luddy, Assistant Town Accountant

*Minutes APPROVED by vote of the Finance Committee 2/1/2021*