



Town of Swampscott
Finance Committee Meeting Minutes
February 23rd, 2021 – 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, Jill Sullivan

ABSENT

Gail Rosenberg

OTHER TOWN OFFICIALS PRESENT

Ron Mendes, Asst. Town Administrator Admin & Finance; Patrick Luddy, Asst. Town Accountant; Michael McClung, Town Moderator; Peter Spellios, Select Board Chair

7:00 Meeting called to order

Discussion on presentation for town meeting

Chairperson Dorsey summarized his presentation for Special Town Meeting, including:

- Introduction/Who we are
- Principles of the Finance Committee
- Recent Improvements/Accomplishments

Eric Hartmann then summarized his portion of the presentation for Special Town Meeting, including:

- Review of Capital Asset Management
- Addition of Facilities Director
- Collins Center Scoring Method for Capital Projects
- Ongoing Capital Projects approved over the past few years
- Levels of Debt/Impact of Debt Service on Operating Budget
- Debt Exclusions

Cinder McNerney recommended that Mr. Hartmann include a chart in his presentation that presents excluded and non-excluded debt service over time.

There was some discussion amongst the committee regarding the targets that exist for debt service and how best to present them (as a % of revenue vs. % of the budget) Ms. McNerney mentioned that the metric rating agencies typically use in their evaluations is debt service as a % of the budget.

The Moderator was recognized in the meeting and discussed an emerging consensus amongst the capital improvement committee that the percentage target for debt service should react to certain interest climates, recognizing the value that is available in the capital markets.

Matthew Kirschner asked for clarification regarding the outlook of the bond issuance that is happening on Thursday. Mr. Mendes said he is expecting 20-40 basis points for this issuance.

Mary Ellen Fletcher asked why the town is pursuing any short-term borrowing this year as opposed to permanent borrowing with interest rates so low. Mr. Mendes highlighted arbitrage rules and project timing, among other considerations.

Jill Sullivan asked Mr. Mendes if there were any economic models that analyze interest rates or other economic opportunities that he uses to inform his borrowing decisions. Mr. Mendes referenced weekly reports that he receives from the town's financial advisor.

Chairperson Dorsey brought the conversation back to the format of the presentation for town meeting. The current anticipated plan is for Mr. Dorsey to present first, followed by Mr. Hartmann.

Mary Ellen Fletcher asked how much time the committee was going to be allotted at Special Town Meeting for their presentation; she wants to make sure enough time is given for Town Meeting members to ask questions of the Committee after the presentation.

The Moderator clarified that he is prepared to offer the committee at least an hour for their report, if not two hours depending on the interest level of town meeting. He also asked the Committee deliver their presentation to Molly O'Connell or Allie Fiske prior to Town Meeting.

Mary Ellen Fletcher asked Mr. Dorsey if he was going to specifically address the benefits of the town's ability to manage expenses, strengthen the financial position of the town relative to its ability to assume more debt (i.e. new school project). Mr. Dorsey clarified that he is going to speak to the town's strong financial position in general terms and acknowledge challenges.

Mary Ellen Fletcher suggested that someone presenting, whether it be Mr. Dorsey or Mr. Hartmann, may want to highlight the grant that was awarded recently to partially fund the long-term capital planning of the water and sewer infrastructure.

Mr. Dorsey stated that he was not planning to get that granular on the topic. Jill Sullivan suggested that perhaps that information be retained as a potential response to questions that may come after the presentation.

Cinder McNerney also recommended that either Mr. Dorsey or Mr. Hartmann reiterate that the Finance Committee is seeking feedback from Town Meeting and wants to continue to have an open dialogue regarding the town's finances.

Review motion language for warrant articles

Cinder McNerney is anticipating that Town Meeting may ask the Finance Committee how much of the original \$750,000 appropriation for the Hadley Feasibility Study capital project has been spent, and wanted clarification so that the Committee is prepared to respond accurately. Ron Mendes, Asst. Town Administrator, confirmed that all the \$750,000 has been encumbered by the

existing contract for the study, and that the expectation is the \$165,000 will be sufficient to complete the study.

Chairperson Dorsey asked for feedback regarding who the committee would like to present the motions. Jill Sullivan volunteered to deliver the committee's motion on Article 2 at the March 1st Special Town Meeting, and Cinder McNerney volunteered to deliver the motion on Article 3.

On **MOTION** (Jill Sullivan) and **SECONDED** (Eric Hartmann) it was **VOTED** by **ROLL CALL** to **ADJOURN** the meeting at 7:45 PM. Roll Call: Matthew Kirschner (YES) Cinder McNerney (YES) Mary Ellen Fletcher (YES) James Goldman (YES) Joan Hilario (YES) Jill Sullivan (YES) Eric Hartmann (YES) Tim Dorsey (YES)

True Attest,



Patrick Luddy, Assistant Town Accountant

Minutes APPROVED by vote of the Finance Committee 3/29/21