

**Town of Swampscott**
**Finance Committee Meeting Minutes**
Wednesday, May 10th, 2023 - 7:00 PM
Virtual meeting

**FINANCE COMMITTEE MEMBERS PRESENT**

Eric Hartmann (Chair), Matthew Kirschner (Vice-chair), Joan Hilario, Cinder McNerney, Erik Schneider, Naomi Dreeben (joined at 1:27:50).

**FINANCE COMMITTEE MEMBERS ABSENT**

Suraj Krishnamurthi, Adrian Rodriguez, Sunit Shah.

**OTHER TOWN STAFF**

Amy Sarro, Director of Admin. & Finance; Patrick Luddy, Town Treasurer/Collector; Trang Vu, Assistant Town Accountant

The meeting was called to order at 7:06 PM

**Public comment**

MaryEllen Fletcher, Precinct 4, was recognized. She mentioned the changes made at Selectboard’s meeting last night. The first change was the request to add $94,000 for a diversity coordinator. She opposed these changes since it’s a last-minute request and we have an excellent plan in place to use money out of the ARPA funds to identify our needs and our goals. That would not affect the operating budget until 2025. Once these goals were identified we knew what we needed to do, we then could add in a full line item with whatever it's going to cost to make sure we're able to attain these goals. By adding the additional 94,000, there is a request to remove 10,000 from the police budget. The Police budget is already, in her opinion, going to go over its budget; 20,000 in snow and ice. It is her opinion that if we drop below what we had spent or what we had as a line item in previous years, we will have to fund it ourselves during that current year; $15,000 removed from Fire Department budget; $20,000 out of Salary Reserve line and $29,000 from Employee Group Health Insurance.

On the capital budget, she does not support the request for “Town Hall basement” of $50,000 for design because there is no following year data and information for the project.

**Potential vote on Town Meeting Warrant**

Article #4: Appropriation of Operating budget

This article was voted on in previous meetings but there were some changes proposed at the Selectboard meeting the night before. Below are the details:

Eric Hartmann commented that he is in support of the town’s diversity efforts but not support this type of change which we attempt to find money that may not really be there.

Amy Sarro commented that the original intention as well as the intention expressed by the board last night was to still move forward with the approximately $100,000 of ARPA for year one. This would be a non-employee and outside firm or person to come in to assess our needs. That person would help us with job description and hiring process. The $6,000 in the HR budget was the HR Director’s recommendation to make this a stipend in position on top of someone’s current role. The first take at this with the town administrator and the select board was we most likely wouldn't be hiring someone until the final quarter of fiscal year 24 was we were going to use the $6,000 plus the $20,000 salary reserve to do 1/4 of that salary. However, then the Selectboard and Town Administrator spoke more, and they wanted for structural reasons to have the entirety of the salary reflected in FY24, even recognizing that it would not be utilized in its entirety in the fiscal year.

Ms. Sarro mentioned that to date, the Fire Union and the Town haven’t worked out an agreement on what the fitness evaluation is, so this line has not been expended this year. As soon as that is agreed upon, we will need to utilize that line. Responding to Ms. Fletcher’s point, Ms. Sarro commented that the appropriation for snow and ice, if less than the prior year, which this would be, we are not allowed to deficit that. If we have a bad in FY2024, we must come up with that money within our own operating budget.

Updating about the Employee Group Health Insurance, Amy Sarro mentioned that she got the report from GIC of all the changes through open enrollment. We had more than a dozen employees that moved to less expensive plans that reduce the cost for themselves as well as the town. Based on her projection with actual enrollment and a contingency of four most expensive family plans to account for any midyear changes and anticipated vacancies, we are in good shape after the transfer of $29,000 to DEI line.

Joan Hilario asked if everything goes as planned, we pay $100,000 from ARPA to find the consultant, take us through third quarter of FY2024, and eventually hire someone in the last quarter of the year, what is our plan for the excessive dollars in this line. Ms. Sarro responded that it would be available for the year-end shuffle, or it would just fall to free cash as unexpended appropriations.

Cinder McNerney asked why we would amend the voted budget while we could utilize ARPA fund or wait until FY2025 after conducting a study about what we need. She expressed her concern on why we did not cut all these expenditures out in the first place if we don’t need it. Joan Hilario seconded this.

Matthew Kirchner commented that unless there was a reason for this position such as additional state aid or credit down the line, he thinks we just go with the consultant with ARPA money and not pressure the operating budget this year or next year because of this last-minute change.

Erik Schneider recommended that we could use $20,000 from the Salary Reserve line and $29,000 from Employee Group Health Insurance to fund half of DEI position. He also commented that there will be a high chance we will not be able to hire someone in the first six months so the amount should be sufficient.

Joan Hilario and Cinder McNerney commented that we should not fund the position in advance of figuring out its cost, what we need and how we go about it, especially when we have got one of the tightest budgets.

Joan Hilario commented that if we are still looking to take a step in that request, we could take the $29,00 from the Health Insurance line and put it into DEI line for a total of $35,000.

Ms. McNerney commented that we should still find out what we need, and we can always bring it up in Special Town Meeting in the fall or later if we know what our needs are.

Responding to Mr. Schneider’s question about Snow and Ice, Ms. Sarro confirmed that if we reduce the Snow and Ice budget now compared to last year but bring it back in fall meeting, it is still considered as voted appropriation and we can still be covered if we go deficit.

Erik Schneider said that except for $29,000 from Health Insurance line transfer to DEI line for us to enable us the job posting, we would not want to touch any other amounts.

On **MOTION** (Erik Schneider) and **SECONDED** (Joan Hilario), it was **VOTED** to reduce the Employee Group Health Insurance line by $29,000 and increase the DEI by $29,000 by **ROLL CALL**.

**ROLL CALL**: Matthew Kirschner (YES), Cinder McNerney (NO), Eric Hartmann (YES).

Article #16: Appropriation for Recommended Capital budget

There was an additional change to the Capital project budget proposed at Selectboard meeting last night. $200,000 was added to the Townwide Traffic improvement. It was added as a separate project but for pedestrian safety not around the new school. The Finance Committee will address this in a joint meeting with CIC next Monday before the Town Meeting. These traffic humps would be installed all over the town on Pine St, Stetson Ave, Norfolk Ave, Humphrey St, Puritan Rd, etc.…

Joan Hilario commented that a lot of the areas are areas that are so straight and visible that police presence only impacts the traffic when they're there. A lot of these speed humps or speed pillows are in areas where they have determined that because the roads are very straight and wide open, that police presence is not going to make a difference.

Eric Hartmann asked why it is put at the last minute and not at the beginning of Capital cycle. Amy Sarro will share more details with the committee as soon as she gets it from the Town Administrator and the Police Chief.

Mr. Hartmann mentioned that because of the enormous list of warrant articles, the moderator is going to use a consent agenda that one Finance Committee member make one motion to approve several articles. It will include article #7, #8, #9, #14, #15 and #22.

Article #10: Acquisition of 12-24 Pine St

Updating this article, Mr. Hartmann mentioned that we were waiting for some clarity because there's no numbers, no real description of what the town's intent is. There was a meeting today at Town Hall and they went through motion language. There's been no update from our attorneys, they haven't sent out any kind of revised version. One of the questions that we were concerned about is that the article mentioned that we could raise appropriate transfer borrow to fund Article 10. There's no longer any option to borrow under that article. The town has signed a purchase and sale with the owner of that property for $1.7 million. We will have some amount of time where we'll have the due diligence period where the town have the ability to do some environmental review and geotechnical review, see if there's any hazardous waste or cleanup they have. He commented that it wasn't clear to him, and it needed to be made clear to town meeting is what the town’s intentions are once we buy it with the $1.7 million.

Matthew Kirschner commented that despite the traffic concerns, the result of extra tax revenue and helps us with our mandate of 10% affordable housing, this project is a net positive in the long run.

Responding to Erik Schneider’s question, Amy Sarro commented that if the financial impact changes in a negative way, it would have to go back through the whole process.

On **MOTION** (Cinder McNerney) and **SECONDED** (Joan Hilario), it was **VOTED** favorably to support the approval of *Article #10: Acquisition of 12-24 Pine St* as written after it takes out the language regarding any kind of bonding associated with it,by **ROLL CALL**.

**ROLL CALL**: Erik Schneider (YES), Matthew Kirschner (YES), Eric Hartmann (YES).

Article #11: Disposition of land: 12-24 Pine St & a portion of New Ocean St

On **MOTION** (Cinder McNerney) and **SECONDED** (Joan Hilario), it was **VOTED** favorably to support the approval of *Article #11: Disposition of land: 12-24 Pine St & a portion of New Ocean St* by **ROLL CALL**.

ROLL CALL: Erik Schneider (YES), Matthew Kirschner (YES), Eric Hartmann (YES).

Article #12: Disposition of land: Hadley Elementary School

Eric Hartmann restated something he heard from Moderator hours before this meeting to summarize this article in a good way. Some people asked we have the Reuse Committee where we had multiple ideas presented, but it seems like we are just narrowing it down to a hotel. The Moderator said we are not choosing a hotel by taking this article. It is just the other 2 options don’t require this language to take the next step, meaning to make it possible to be a hotel in order to attract people to come in and look at it and tour the property and potentially spend money and do work on a potential proposal.

Erik Schneider mentioned another Zoning article related to Hadley and asked if one of those articles passes and the other one does not, does that essentially preclude the whole thing. Amy Sarro commented that the Moderator expresses that he might be taking both of them together but counting the votes separately to ensure that either they both pass or fail together.

Commenting on Ms. McNerney’s questions about any estimates of revenue associated with this location, Ms. Sarro said that there will be no actual estimates until we get into the actual bidding process. We would be getting meals and rooms taxes and if they serve liquor, we would be getting revenue from that.

Erik Schneider will report on article #10 to #12 at Town Meeting.

On **MOTION** (Erik Schneider), it was **VOTED** favorably to support the approval of *Article #12: Disposition of land: Hadley Elementary School.*

The committee would like more clarity on Article #12 and how it relates to article #19 before finishing the vote.

**Old and new business**

Cinder McNerney commented that it is critical to see the motion language to avoid confusion about what exactly what people voted. If the motions are not right, it doesn't matter what the article said.

The plan for Monday meeting before Town Meeting is to vote on proposed changes to a couple capital projects and shuffle some money around related to the DEI coordinator.

The Committee decided to cancel the posted tomorrow meeting.

Eric Hartmann mentioned a presentation at the Town Meeting as a group effort to highlight the budget.

On **MOTION** (Naomi Dreeben) and **SECONDED** (Cinder McNerney), it was **VOTED** to adjourn the meeting at 8:45 PM by **ROLL CALL**.

**ROLL CALL**: Erik Schneider (YES), Joan Hilario (YES), Matthew Kirschner (YES), (YES), Eric Hartmann (YES).

True Attest,

Trang Vu

Assistant Town Accountant

*Approved by vote of the finance committee 09/19/2023.*