

Swampscott Finance Committee
June 18, 2018

Attending: Mary Ellen Fletcher, William Jones, Jill Sullivan, Gail Rosenberg, Cinder McNerney, Joan Hilario, Polly Titcomb

Not attending: Tim Dorsey

Also attending; Ron Mendes (ATA), Sean Fitzgerald (TA)

Motion to approve minutes for 4/5, 4/10, 4/17, 4/30, 5/1, 5/10, 5/15, and 5/21
Hilario/Fletcher Approved: 7-0.

Ms. Galazka reported that she received an email from Dina Maietta asking for assistance from the finance committee on issues relating to the Farmers' Market. She indicated that a variety of reviews on the part of the town indicated that there was no fraud. Mr. Fitzgerald added that the report did find things that were serious weaknesses that indicate the need to institute controls and policies regarding the finances of the farmers' market.

Mr. Fitzgerald indicated that the most important takeaway is that we have to follow MGL better with respect to fiduciary responsibilities and record keeping. This will ensure that employees are not exposed to risk. The lax procedures left room for the appearance of impropriety, while the audit made no finding of fraud. The growth of the market has meant that the market outgrew the policy controls. This year the town instituted a number of policies: eliminated cash, added a code of conduct, etc. Mr. Fitzgerald has recommended that the Farmer's Market has a board of governors to have policies and controls for the running of the market. Mr. Fitzgerald would also like to see input from the vendors as to how to make the market better. There needs to be mechanisms for disputes.

Ms. Fletcher indicated that the issue is about how money is collected and how money is reported not just for the Farmers' Market, but for the town as a whole. She is also unimpressed with the audit. No vendors were interviewed. She doesn't understand how you can determine there is no fraud if there were no receipts. This is not a forensic audit. There should be policies over every single thing that we touch for our employees to follow. She also feels that it was inappropriate that a citizen had to fight simply to have it acknowledged that she did not get receipts. Mr. Fitzgerald has made it clear to the Recreation Director that, for now, there will be no waivers and no different treatment among vendors. He would like to see it taken over by a civic group or a non-profit. We want to support the creative economy and small vendors, but this is a huge burden on the town for not a great deal of revenue. Ms. Hilario stated that this needs to get taken care of right away because the season just started and everyone in town is talking about this. Mr. Fitzgerald indicated that many policy changes have already been implemented.

Ms. Fletcher indicated that she would like to see a system for reimbursements so the employee is not at risk. Mr. Mendes indicated that they have already done that. She also noted a few numbers from the audit do not jibe with MUNIS.

The town implemented a procurement policy that has not been popular, but is best practice. He wants to continue to implement policies to protect the town's fiduciary responsibilities.

The finance committee would like to set up an executive session with the school committee to discuss upcoming contractual issues. Ms. Fletcher would also like to see the school budget submitted in the same format as the town budget. It would allow us to understand their budget a lot better. The finance committee discussed with Mr. Fitzpatrick a variety of issues regarding the town and school financial relationship.

The finance committee would like to schedule another summer meeting to cover: Debt management plans, plans for unused levy capacity, and a discussion of the unfunded mandates.

Motion to adjourn: fletcher/Rosenberg 7-0.