

Swampscott Finance Committee Meeting
Wednesday, April 24, 2017
7:00P

Attending: Marzie Galazka (chair) Polly Titcomb, Jill Sullivan, Cinder McNerney, Mary Ellen Fletcher, William Jones, Gail Rosenberg, Tim Dorsey

Absent: Joan Hilario

Joint meeting with CIC: Pat Shanahan, Rich Raymond, Leah Ryan

Also Attending: Ron Mendes (Town Treasurer), Sean Fitzgerald (Town Administrator) Mike McClung (Town Moderator) Darren Klein (Town Counsel) Pete Kane (Community Development Directory), Angela Ippolito (Chair, Planning Board), Peter Spellios (BOS), Naomi Dreeben (BOS), Pat Jones (BOS), Laura Spathanas (BOS)

Meeting called to order at 7:03. Ms. Galazka greets the many citizens at the meeting.

Ms. Galazka introduces the Finance Committee. Mr. Raymond introduces the CIC process. Mr. Fitzgerald greets the crowd. Mr. Kane makes a presentation about the Rail Trail project. A version of the presentation is on line at the Town Web site.

Mr. Kane describes what a rail trail is as well as the benefits that have been defined by research. There are 67 communities that have rail trails in MA. Discusses the history of the rail trail project in Swampscott since the 1960s. TM voted in 2002 to create a study committee. 2005 TM authorized a recreational easement and created implementation committee. 2006 authorization renewed. 2009 renewed. In 2010 title work and appraisal was done. 2013 – Open Space and Recreation plan created with Rail Trail as a priority. 2014 updated appraisal and discussion with National Grid (NG). 2015 town's new master plan also named the rail trail as a priority.

NG pays property taxes on all 11 parcels. Not all 11 parcels are owned in fee simple. Mr. Kane describes the process of developing a rail trail. Feasibility study – complete. Second step is design and engineering. Step three is acquisition – those two steps would be covered by the current warrant article. Construction would be done later – and would be funded through private funds and grants.

Mr. Kane describes how some other trails got constructed. Mr. Kane describes various grant opportunities for construction.

The town meeting warrant article covers design, engineering and acquisition. Mr. Kane describes all the deliverables in this process of design \$240,000. Acquisition of the easement rights from the property owners including legal and title work: \$610,000.

Mr. Mendez then explained the town debt and reserve analysis. Debt service request for fiscal '18 is lower than the past few years. Look at excluded debt/non-excluded debt/water sewer debt. Restructuring the high school debt drastically reduced the excluded debt – direct tax relief to the tax payers. Non-excluded debt pays for this type of expenditure. Mr. Mendez shows through 2025 what our debt service looks like at 3% of revenues. Mr. Mendes shows the Moody's rating scorecard. Reserves have been our Achilles heel in terms of rating – we have been making dramatic improvement in our reserve position over the past few years.

Peter Spellios (BOS) – why did the BOS unanimously support this project? Spellios remarks that the town has a pattern of discussing, voting and doing nothing and starting again. He feels its time to do something. Given Mr. Mendes' presentation, the BOS is comfortable where the town is in the financial cycle that it can support this project. The Rail Trail committee has done all the title work they were required to do with the best firm in Boston. Title is much more complex than we thought or hoped. There were two independent appraisals. The appraisal valued acquisition of the rail trail at \$375,000. Increase that by 15% to get it to 2017 figures. The rail trail committee has done a lot of work preparing design and engineering, gaining experience, price estimates, possible barriers etc. They did research on construction costs and sources of funding: Spellios is convinced that we will be able to get grant funds from state agencies and non-profits. We need to be shovel ready in order to get those funds. Once that happens, we should be able to secure that money. The BOS is explicitly not recommending any funds for construction – only for design, engineering and acquisition.

The selectmen have given explicit instructions to the Rail Trail committee that they are to sit with all of the abutters to help get everyone comfortable with the trail. The BOS won't spend money for an acquisition unless the abutters have been fully brought into the process.

Ms. Ryan remarks that the project needs to be looked at as stages. This money could possibly be spent and then the construction funds may never be found. Then the money is out of pocket.

Mr. Spellios argued that there are a variety of alternative paths.

Ms. Shanahan asked the length of the trail – just under two miles. Also asked the time estimate of the design and engineering phase – approximately 15 months. National Grid will continue to pay taxes as they have been doing. That has been discussed since 2014. Could this project be done in increments? Yes, there are various segments that could be done.

If you take the field out of our capital spending over the past decades, we've spent less than 3% on open space. This project is much cheaper than the field per SF.

The \$850,000 includes an estimate of any contingencies including legal. Ms. Fletcher asked if the 2002 feasibility study discusses wetlands or environmental

impact. This is part of what the professional engineering process would include. This project would need to go through every regulatory hurdle as any other project in town.

Ms. McNerney asks about the method of financing and what would the motion look like. The motion would identify the specific funding source.

Mr. Klein and John Eichman from KP Law describe the eminent domain process. Abutters who have a legal interest in the land will be compensated. If there are issues, abutters have proscribed legal remedies. This is just a step in the process. You cannot pursue eminent domain without design, because there has to be a description. Individual appraisals will be done for the rights that are taken. Many of these may be “friendly acquisitions” – if the property owner is interested in being paid for their property rights. Appeal right is three years to appeal damages awarded. An appeal does not stop the project – the appeal is over the amount of damages awarded.

Mr William Jones asked how the final amount of damages is determined if there is an appeal and what happens if the owner doesn't agree to this amount . The answer was the Town is not required to return land taken by eminent domain even if the owner never agrees to the amount offered.

Attorney John McLaughlin speaks on behalf of the abutters. Comments that people are actually having their backyards taken away. Nothing is as complicated as railway rights. Argues that the BOS is not giving the Finance Committee enough information. Also argues that there is not enough money being offered. Gives some history on railway takings. Argues that the BOS should share the title search with everyone. He guesses 90 people abutting the corridor. He argues that \$610,000 isn't enough to pay all of these people.

Kim Nasser speaks for a group of abutters.

1) Financial concerns – in 1999 the original feasibility study states that no municipal funds will be used for any expenditure on behalf of the project. Asks whether any of the title work etc. was paid for by the town. She notes that other rail requests provide much more financial information that we have been given on this project. Can the committee raise the money? What if private funds and grants don't materialize? Argues that eminent domain should not be used for a “want” vs. a “need”. Criminal activity increases around trails – expands pressure on police and fire resources.

2) Competing projects – aging elementary schools and their repair. Lists many of the expenditures that need to be done on various schools. Other capital projects are upcoming – fire equipment, Stacy Brook, etc. Argues we do not need a trail as we have beaches.

3) Committees haven't gotten enough information to make this decision. Residents do not either.

Sheila Yang asks about the grant process – could we get a grant for design and engineering. Nervous because of unanswered question.

Jackie Dragani – what is the process for getting grants? What are our chances of getting grants? Who writes them? Most grants operate as a pool. Limited amounts. These are competitive grants that depend on who else is applying etc.

Erin Duroche Perault – feels that the estimate in the appraisal is low. The issue of who the property owners are do not affect the valuation. Argues that she does not understand how the town can get close to understanding the cost of what the easements will be when the abutters have not been engaged even a little bit.

Jaqueline Kinney compares the study on the Middle School a number of years ago where we needed to spend some money in order to understand the parameters of the project. She argues that without doing any engineering and design we won't even know what we're talking about.

Gary Barden – wonders whether there is a negotiation over individual easement rights or whether there is a price tag put on the value of the easement and the property owner can say yes or no. Mr. Eichman explains that the process is relatively flexible. There are different ways of negotiating the easement rights. An appraisal is used in order to establish the value for the land by an independent authority.

Brian Maloney – some rail trails are unsuccessful because of poorly answered questions and being poorly financed. Very worried about upkeep and maintenance of the trail – doesn't agree with the notion that volunteers will continue to take care of the trail. Need an expectation that things will be done in a timely manner and with a reasonable expectation of completion. The money will go away.

Paul Dwyer – we are most proud of schools and playing fields. There is no comparison between schools, fields and a bike path. Argues that there are no large donations. Feels that the discussion is too casual.

Lisa Hayes – this would add exposure and reduce privacy.

Tom Pallerio – new resident. Has not been able to get the answers that he wants. Has done a lot of research and is very uncomfortable with what is being proposed. Other towns have done this kind of project without the use of town funds.

Bonnie Levine – not an abutter – feasibility studies for schools benefit everyone because it increases the value of your town. That money could be spent for other

projects. Grants are not always successful. Town liability and insurance could be an issue.

Eileen Vogel – the trail is great in Marblehead and is very similar to ours and what is the fear all about .

Alexis Runstadtler – an abutter that is pro-trail. Joined the committee as an abutter that wants to see the trail succeed. Her part of the corridor is like a garbage dump.

Philip Bereaud – on Walker road. Not an abutter but wishes he was. Marblehead's trail is amazing. Wants a trail in Swampscott.

Kristine Tierney – worried about the wetlands and vernal pools behind her house. In the master plan – protects the vernal pools. Worries that development will destroy the vernal pools. Con com member mentions that the plans need to be done first and then they will ensure that the wetlands protection act is complied with.

Matt Dragani – construction easement will be needed on his home and that is not in part of the plan.

Mary Webster – Chair of Open Space Committee. Wholeheartedly support the rail trail.

Angela Ippolito – Chair of Planning Board – wholeheartedly support the rail trail. Town doesn't spend enough money on open space as a per capita expenditure.

Motion to adjourn. Maryellen/Gail. 8-0