

**Advisory Committee
Meeting Minutes
9/13/2016**

In attendance: Committee Members Anderson, Baltera, Belyea, Coughlin, Curley, Hancock, Haskell, Kutsch, MacKay, Sharkansky, Smallwood, Strehle, and Taylor and Town Accountant Nickerson.

Chairman Taylor called the meeting to order at 7:30pm.

Questions from the public on items not on the agenda: None

Approval of minutes

Members approved the August 4, 2016 minutes with revisions on a 9-0 vote. Member Anderson abstained, as he was not in attendance at that meeting. Baltera and Strehle were not present for this vote.

Budget review and discussion with Ted Alexiades

Town Administrator Alexiades anticipates tight budgets for the next few years with revenue growth from new construction constrained and employee health care costs rising.

For the FY18 budget cycle, he will ask departments to prepare level services budgets, along with any additional requests to improve Town services. In addition, departments will prepare memos outlining the impacts on their services and resources should it become necessary for the Town to move to level-funded budgets. He recommended that any proposed additions to departmental budgets be set-aside for consideration at the end of the budget process, when available resources are clearer.

With employee health insurance expenses increasing 15% last year, the Town is reviewing options for a new insurer to provide this benefit. Alexiades outlined the decision-making process including issuing an RFP, seeking concurrence through the public employee committee, and entering into new contracts.

The Town is also analyzing the budget impact of reducing its projected anticipated return on retirement investments down from the current 7.75%. Taylor noted that analysts anticipate lower returns over the next few years. Lowering the projected return on retirement investments even a quarter of 1% requires a substantial increase in the Town's appropriation to fund employees' retirements.

AdCom Budget process overview

Taylor plans to schedule Advisory Committee review of the budget's revenue component this fall. Members will consider past practice on unused levy capacity and Fund Balance early in the budget cycle. With the number of capital projects on the Town's horizon, he also wants AdCom to look at the Town's debt capacity, considering the impacts of new capital projects on its debt service.

Committee members concurred with the proposed budget process with one budget category heard per night and any proposed additions considered from a set-aside list at the end of the process.

2 Beal Street (Selectmen's Parcel)

Alexiades briefed AdCom members on proposed development of 2 Beal Street (Selectmen's Parcel), highlighting the Selectmen's planned overview discussion of 40B affordable housing projects town-wide at its September 15 meeting. The Selectmen received four responses to its RFP (authorized by the 2016 Annual Town Meeting) for the affordable assisted living units on the parcel. They may decide to reject all four responses after negotiators realized that the one proposal deemed RFP-responsive was seeking substantial funding from Town resources. Selectmen will discuss issuing a new RFP for straight rental units on the property, all of which would count toward the 10% goal for affordable units. If the Town can meet the 10% goal by May 2017, it can handle proposed 40B projects in accordance with

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Town regulations for several years. This action would require a fall Special Town Meeting and successful completion of a tight permitting timeline for both the Town and any developer.

Harbor Development Committee wharf update

Harbor Development Chair Bill Reardon discussed its consultant's structural analysis of 9 Town wharves, an effort authorized by the 2015 Annual Town Meeting (Article 31). Estimated construction costs range from \$2.5 million for short-term repairs alone to \$9.2 - \$12.2 million for intermediate and long-term repairs including resiliency improvements to address rising sea levels. The analysis reviewed the probability of flooding at the various wharves, its consequences, levels of risk, and costs. Committee members also considered Town use of the various wharves and return on investment before establishing priorities for wharf repairs.

Harbor Development plans to seek \$180,000 from Capital Outlay to move to the next stage, getting the projects shovel ready for construction, on four wharves (Town Pier, Barnes, Veterans' Park (East), and the former Mobil Station). There may be state grant funding available to assist with eventual construction costs. In addition, the state is likely to rebuild the boat ramp, which is under its jurisdiction.

Dan Coughlin reported that negotiations continue on the long-term lease of Barnes Wharf. The Town and Maritime Center are exploring a phased agreement with benchmarks for both the Town and Center to achieve before they would move to a 30-year lease.

Liaison Updates

AdCom Liaisons provided the following updates:

- Coughlin – The Legislature passed Hingham's Town Administrator Special Act.
- Baltera – The Planning Board is considering three potential zoning articles (bed & breakfast establishments (2) and Hatfield).
- MacKay – Hingham expects a ruling later this month on its request for direct Supreme Judicial Court review of its water company acquisition litigation.
- Hancock – Library roof, a/c, and truss projects are proceeding on time and on budget. The Library will seek Selectmen concurrence to apply for a State grant funding future facility enhancements that would require Town matching funds.
- Kutsch – AdCom and School Committee leadership held a constructive meeting on the budget process. Pressures on the upcoming School budget include more staff lane changes than budgeted, playground ADA compliance requirements, the High School's accreditation, and meeting students' health, emotional, and social support needs.
- Sharkansky – Construction on Kress Field playground will be complete this fall. Recreation is pursuing a play area at the Bathing Beach.
- Belyea – The Country Club is seeking CPC funding for a pool feasibility study.
- Smallwood – CPC is reviewing 19 proposed projects.

AdCom business – post-party fund balance

Committee members decided to apply unused funds from the 2016 party to 2017 party expenses, with reconsideration of member contributions next spring in light of recent positive balances.

Matters not anticipated within 48 hours: None

Adjournment

The Committee voted unanimously to adjourn at 10:27pm.

Respectfully submitted,

Donna M. Smallwood
Secretary

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List of Documents Distributed at this Meeting:

Agenda for AdCom Meeting of September 13, 2016

Draft Minutes from August 4, 2016 AdCom Meeting

Five Year Forecast, v1.3a

Zoning By-law & correction

Resiliency Improvement Feasibility Study, Beals & Thomas, May 17, 2016 – slides