

## Advisory Committee Meeting Minutes

Meeting Date - February 03, 2022

Remote Meeting via Zoom

**In Attendance:** J. Strehle, G. Danis, N. MacDonald, D. Anderson, B. Black, D. Cooper, R. Curley, K. Dziergowski, C. Kirk, A. Macdonald, A. McElaney, S. Melia, E. Sheehan, T. Sherwood, Town Accountant S. Nickerson.

**Absent:** M. Goulet

### 1. Call Meeting to Order

At 7:00pm Chair Strehle called the meeting to order and read the following statement:

“This meeting is being held remotely as an alternate means of public access pursuant to an Order issued by the Governor of Massachusetts dated March 12, 2020, Suspending Certain Provisions of the Open Meeting Law. You are hereby advised that this meeting and all communications during this meeting may be recorded by the Town of Hingham in accordance with the Open Meeting Law. If any participant wishes to record this meeting, please notify the Chairman at the start of the meeting in accordance with M.G.L. c. 30A, § 20(f) so that the Chair may inform all other participants of said recording.”

### 2. Comments from the Public Regarding Items Not on the Agenda

None

### 3. Review and Approval of Minutes from January 18 and January 25, 2022

Meeting minutes of January 18, 2022 were accepted by roll call vote, 11-0.

Discussion and approval of meeting minutes for January 25, 2022 were deferred,

### 4. Budget Hearings:

#### a. Harbormaster

Ms. Cooper presented this budget. The Harbormaster requests salaries of \$226,529, an increase of \$14,229 (6.29%), expenses of \$81,351, an increase of \$6,213 (7.63 %), for a total budget of \$307,880. Ms. Cooper noted the training budget under salaries and explained that this is to cover the salaries of part time seasonal employees while they attend mandatory training. Harbormaster Corson presented the mission, services, and initiatives of the department. There is an additional request of \$3,000 for installation and removal of the new boat ramp floats as well as added cost for repair/maintenance of the new boat ramp floats that are being added as the State completes the boat ramp replacement. Ms. Cooper recommended the requested budget.

### 5. Warrant Article Hearings & Votes

#### Article M: Municipal Waterways Fund

Mr. Curley presented an overview of this Article. He noted that the Waterways Fund was established by ATM 2019 and that 50% of the boat excise tax is put into the fund by statute; this vote is to put the remaining 50% collected into the fund. As of Dec 31, 2021, the fund had a balance of \$1,540,614.19. Harbormaster Corson noted that the Fund is earmarked for the 10-year dredging required of the harbor and that it can also be used for administrative and Capital expenses for the Harbormaster's office. Chair Strehle asked the year and cost of the last dredging. Mr. Corson said the last dredging was approximately \$2MM and was done in 2019. The cost was ~\$1MM less than anticipated because of efficiencies the Town was able to take advantage of because Cashman had a dredger in Quincy that was not being utilized. The anticipated cost was \$3.2MM. Ms.

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Cooper commented that this fund is an important tool and benefits Capital Outlay as well. Mr. McElaney asked where this money is currently, Mr. Curley noted that it is maintained in the general fund. Ms. Nickerson noted there is a monthly transfer from the general fund to the Waterways Fund on the ledger. Mr. Curley asked the AdCom's opinion on adding the balance of the account in the comment. It was decided this was not necessary. Harbormaster Corson commented that there are grant opportunities for funding the dredging which he anticipates pursuing when the time comes. The Article's recommendation was approved by roll call vote 10-0.

### **Article A: Hannah Lincoln Whiting Fund/Trustees of the Bathing Beach**

Chair Strehle read the recommended motion. The Article's recommendation was approved by roll Call vote 10-0.

### **Article B: Assume Liability for DCR**

Chair Strehle read the recommended motion. The Article's recommendation was approved by roll call vote 10-0.

### **Article C: Reports of Various Town Committees**

Ms. Melia presented updates to this Article as an updated version was submitted by the Select Board. The Select Board has voted favorably on the updated version. The Article's recommendation was approved by roll call vote 13-0.

### **Article H: Disbursement of Electric Light Department Receipts**

Chair Strehle read the recommended motion. The Article's recommendation was approved by roll call vote 10-0.

### **Article I: Building Department Revolving Fund**

Ms. Sherwood read the recommended motion. The Article's recommendation was approved by roll call vote 10-0.

### **Article L: Acceptance of Easements**

Chair Strehle read the recommended motion. The Article's recommendation was approved by roll call vote 11-0.

### **Article J: Department of Elder Services Revolving Fund**

Ms. Black provided an overview of this Article and read the recommended motion. The Article's recommendation was approved by roll call vote 10-0-1.

## **6. Liaison Reports**

### **a. ACES**

Mr. Anderson provided an overview of the first ACES meeting, which was 02/03/2022. He noted there was a good conversation regarding fees, what they currently are, the philosophy and practices. A Student Progress Report will be provided 02/07/2022 - a snapshot of student achievement to date in the school year. This meeting will be the public hearing for the school's budget proposal. Chair Strehle noted that AdCom will hear the school budget next Tuesday at a joint meeting with the Select Board and the School Committee. Mr. McElaney asked about the Warrant Article regarding the resurfacing of the tennis courts at the High School. Chair Strehle offered that the Select Board and the Advisory Committee will hear that Article next week.

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### 7. Five Year Forecast Update

Chair Strehle distributed a new forecast earlier today. She deferred our discussion until our joint meeting with the School Committee and Select Board next Tuesday.

### 8. Discussion of Sustainable Budget Task Force Final Report and FY23 Budget

Chair Strehle noted that the presentation from the Task Force was posted to the Town website on the Select Board's page. She read the recommendation of the Task Force and reinforced that the numbers in the proposed scenarios are hypothetical. Ms. Sherwood noted that it was a fantastic report but thinks we are doing a disservice to the Town by not talking about an override for this year. She believes there is overwhelming support and is concerned about morale amongst Town employees by not properly addressing the budget shortfall. Ms. MacDonald believes that we should seriously consider an override for this year as much of the budget shortfall is a result of equity increases for salaries and that we need to begin addressing the structural budget issue. Mr. Danis wished we had started the process earlier and that the Town had benefited by growth which added 1.5% to the budget; he noted that this period of high growth has ended and that a one-time override is not a cure. He believes that the prospect of multiple overrides when the Town does not have a history of it will be a challenge. Ms. Cooper is very troubled by the \$12MM excess fund balance and not using it; this would influence how she thinks about an override and added that the number of people living under \$75,000 a year is troubling. Chair Strehle noted that fund balance is meant for one time capital expenditures and that there are a number of Warrant Articles that will eat into that excess. Mr. Macdonald stated serious reservations about adding new positions to the Town and school budgets with one-time money. Mr. Curley noted that we will have more information after the presentation of the forecast; he noted that the Select Board needs to decide on an override and that if an override proposal is presented, the Select Board and the Town administration would have to balance the budget and then identify what cuts would be made if the override fails. He noted that the AdCom would have to have a process to get to the lower numbers required in Article 6, which would be re-hearing all the budget recommendations; he does not believe it is possible to do an override correctly before April Town Meeting. Mr. Curley was hoping to have a conversation about an override this year but does not believe it can be done before this spring's Town Meeting. Mr. McElaney noted that scenario B projects using \$2.8M in excess funds in FY23 and \$5.5MM override in FY24 and that this still leaves more than \$9MM in unassigned fund balance over the financial policy maximum. Ms. Nickerson noted the definition of fund balance, which is revenue minus expenses; turnbacks are 1% of fund balance and that the Town budgets at 99% of expenses. Mr. McElaney noted that the Capital expenditures proposed for its use are so large that the fund balance is not going to make a dent in the borrowing and suggested that a percentage of fund balance be earmarked for operating expenses. He also noted that the amounts of the overrides suggested in the Task Force report are large. Ms. Cooper noted that Warrant Article T will use Fund Balance for Fire Department needs. Mr. Anderson believes that the growth in Town has masked the need to adjust our budget to meet needs and that the period of high growth has ended. He views overrides as a feature of prop 2 1/2 and not a bug and that the report makes a compelling argument to not do an override this year. He wants to better understand the impact across the whole Town and that there is more work to be done to educate the Town. He noted that the consequence of a failed override is a reduction in force. Ms. Black noted that based on the data presented in the report that there is capacity in Town for increased taxes, but the Town needs to be thoughtful regarding the impact to all citizens. She also believes the Town needs to explain to citizens what the Fund Balance is going to be used for. She agrees that an override is in the future but that the Town needs to prepare better. Ms. Melia was struck by Board of Assessor's member Mr. Ross's comment

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at the 02/01/2022 meeting that there is already money set aside by the Town to assist citizens who need tax relief, and it is underutilized; she noted that the Town has already been thoughtful about the burden and taken action. Ms. Dziergowski asked what happens if a budget is put forward and fails and if there an automatic reduction in force. Ms. Nickerson said if the override passes at Town meeting but fails at the polls it would mean a reduction in force. But if it fails at Town Meeting, it is possible that someone can propose using fund balance from the floor of Town Meeting. Mr. Macdonald stated that if the Town does not have a sustainable source of revenue to support the positions added last year, then there should not be funding for additional positions this year, thereby making the structural deficit issue worse. Ms. Sherwood worries that the Town has put off an override for too long and the impact will be large; she believes the overrides need to be incremental. Ms. Black noted that it is not just seniors that might have problems with a tax increase. Mr. Sheehan noted that the Town is not delaying the needs, but simply delaying action and there is a risk to putting off the decision for an override once again. Mr. Danis noted that the Town needs to have a revenue source for covering expenses; fund balance does not meet that criterion. Mr. Curley recommends that all AdCom members read the State's Department of Revenue pamphlet on overrides to understand the considerations and mechanics of an override. He noted that AdCom cannot put forward an override, that the Select Board must do that. He also noted that there is an anticipated Special Town Meeting in the Fall to request money for the Foster School project and the Public Safety Building project and that the Fund Balance will be used to decrease the borrowing required for those projects. Mr. Sheehan noted that overrides need to be used as a tool and should be more incremental. Ms. Kirk inquired about the property revaluation next year and its impact on the tax levy and how it will hit different property owners. Ms. Monsegur said higher value properties will absorb more of the impact. Board of Assessors member Mr. Ross noted that Hingham's tax rate went down last year because of the increases in value at the upper end of the housing market. There is now a new category in Hingham - 29 homes are considered estates. He confirmed that many houses will be impacted by revaluation and that the properties on the lower end will have their tax bill go down as the higher end absorbs more of the tax burden. Chair Strehle said we will continue this conversation over the next few weeks as more information comes in.

### **9. Discussion of Advisory Committee Housekeeping Items**

- AdCom February 8 meeting will start with a joint meeting with the Select Board and the School Committee to hear the School Committee Budget presentation and discuss the new 5-year forecast. We will then reconvene to hear Articles O, P, Q, U, and perhaps CC.
- AdCom February 10 meeting – we will hear the Water Company Budget, two Water Company Articles, and four articles relating to the schools.
- Ms. Black asked about the Town Administrator recommendations for the budget and when we will have those; Chair Strehle said they are still being updated.

### **10. Matters not anticipated within 48 hours of meeting**

None

### **11. Adjourn**

The meeting was adjourned at 9:36pm by roll call vote, 13-0.

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**Documents Distributed for this Meeting**

- Agenda
- Draft Meeting Minutes - 01/18/2022, 01/25/2022, 02/01/2022
- Warrant Article Draft Versions - Articles J,
- Sustainable Budget Task Force Final Report 01-31-2022
- FY23 Five-Year Preliminary Forecast v.1.1 02-03-2022

Respectfully submitted,

Nancy MacDonald  
Advisory Committee Secretary

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