

**Advisory Committee
Meeting Minutes
February 21, 2023
Hingham Town Hall**

In Attendance: Chair George Danis, Nancy MacDonald, Brenda Black, Alan Macdonald, Carol Tully, Brian Stack, Sarah Melia, Kathy Curley, Joe Griffin, Tina Sherwood, Jason Price, Andy McElaney

Absent: Caitlyn Kirk, Lyndsey Kruzer,

Participating Remotely: Davalene Cooper

Call Meeting to Order: Chair Danis called the meeting to order at 7:00 p.m. 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.”

Comments from the public on Items not on the Agenda

There were no comments.

Hearing and discussion on proposed FY 24 muni balanced budgets and additional spending recommendations of TA

Town Administrator FY24 Budget Recommendations (Non-School) – presented by Tom Mayo, Town Administrator and Michelle Monsegur, Asst. Town Administrator for Finance. The points in the presentation included:

- FY24 Budget Context
- Municipal Balanced Budget (Reductions)
- Town Administrator FY24 Recommended Budget
- Next Steps & Questions

A robust discussion of the reduced/balanced budget included questions and answers identifying the specific impacts to the municipal budget and how these reductions would affect the entire Town.

The current budget deficit is \$6,221,696

Total FY24 Additional Requests \$2,720,551

Discussion and possible vote on of the basis and options considered in determining the proposed FY 24 balanced budget deficit split percentage

In making this kind of decision, the Town wanted to look at what the community expects. The FY22 budget, fully allocated, excluding self-supporting operations comes down roughly to a 65% education and 35% municipal split of the budget.

Discussion and vote on the use of a Reserve Fund Transfer to cover as needed unemployment costs associated with a balanced budget in the event of a failed override vote

Using a Reserve Fund Transfer for the possible one-time cost of unemployment compensation, in the event of a failed override, was discussed. This would avoid having to eliminate additional FTEs to cover the cost of the self-funded unemployment compensation that the Town would be required to pay.

A motion was made and seconded to support using a Reserve Fund Transfer to cover unemployment compensation costs if the override fails. The motion passed 12-0 by roll-call vote.

Warrant Articles: Hearing and possible vote on the following Articles:

H: Disbursement of Electric Light Department Receipts (J. Price)

The HMLP is self-financed and returns a percentage of its revenue to the Town as a payment in lieu of taxes (PILOT). The Town has to approve to return the rest of their generated revenues to support the plant. This Article recommends that the receipts from HMLP be appropriated to HMLP. The Commonwealth's Dept of Revenue recommended that the Town set forth in its budget the anticipated minimum PILOT, i.e., \$450,000.

A motion was made, seconded and approved by a roll-call vote (12-0.)

P: Tax Mitigation Stabilization Fund (A. Macdonald)

Two new stabilization funds are proposed by Articles P and Q. Article P addresses tax mitigation, while Article Q is concerned with capital expenditures. Current projections of new growth suggest it will be several years before new growth is sufficient to impact the Town's current budget model. With the lack of new growth and the challenges to fund desired services with the limitations imposed by Proposition 2 ½, the Town's budget projections for the next several years show significant deficits. Stabilization funds could be used to provide funds to close budget gaps and increase the time between potential overrides. This would make a change to our financial policy by permitting the Town to use some portion of Unassigned Fund Balance (in excess of 20%) to be used for operating expenses.

Excess Unassigned Fund Balance is like a savings account. The Town's Financial Policy requires that 16-20% of total annual expenses be set aside and maintained in Unassigned Fund Balance. It was agreed that this amount should generally be considered untouchable as it is a significant factor in the bond ratings agencies rating the Town's Bonds as AAA.

Authorizing the use of Excess Unassigned Fund Balance, consistently primarily of money appropriated for operating expenses but not expended by the departments and turned back to the Town, seems

consistent with the Town's wishes. By approving Article 6 each year, the Town Meeting votes the amount of money to be used for operating expenses. When there are turn backs, it seems appropriate to earmark these funds for operating expenses in subsequent years. Historically, the total turn backs average approximately \$1.2mm. The stabilization fund created by Article P would permit such expenditures.

Q: Capital Stabilization Fund (A. Macdonald)

Article Q would establish a stabilization fund to help pay for capital projects and would be funded with receipts from the sale of town surplus assets, including land, trucks and equipment. Monies would accumulate in this stabilization fund and could be used to pay capital expenditures in the future. The capital budget has been chronically underfunded and this has made it difficult for many departments to meet their capital needs. This stabilization fund would help to provide an additional source of funding for the Town's capital needs.

W: Acceptance of Chapter 59, Section 5C 1.5 (B. Black)

This Article asks whether the Town will adopt Section 5 C ½ of Chapter 59 of the State's General Laws which would permit the Town to offer additional real estate tax exemptions for those qualifying for personal exemptions including persons who are blind, senior citizens, surviving spouses and veterans. Under the provisions of this law, the Town proposes to increase personal tax exemptions by 100% for these individuals.

Erin Walsh, Dept Head for Assessors was in the meeting and available for questions. The Town currently offers two senior exemptions, a blind exemption, and several disabled Veteran exemptions – for a total of 12 possible exemptions.

A motion was made, seconded and approved by a roll call vote of 12-0.

Liaison Reports:

There were no liaison reports.

Discussion of Advisory Committee housekeeping items:

Approval of Minutes from the February 7 and 16, 2023 AdCom meetings
Minutes were deferred until a future meeting.

Next meeting: February 28, 2023 –

This will be a joint meeting with the Select Board and the School Committee to hear the proposed FY 24 capital outlay budget.

March 2, 2023 – This meeting will include budget discussions with the School Committee. It will not include votes, but will allow us to take a deep dive into both their three budget proposals: balanced, level services and additional requests.

The meeting was adjourned at pm. by roll-call vote at 10:50 pm (12-0).

Documents Distributed for this Meeting:

AdCom February 21 2023, 2023 Meeting Agenda

AdCom Article Assignments

FY24 Municipal Balanced Budget Proposal

Respectfully Submitted,

Tina Sherwood

Secretary, Advisory Committee