Advisory Committee Meeting Minutes

Date: February 25, 2020 **Place: Town Hall**

In attendance: Committee Members Victor Baltera, Bob Curley, Julie Strehle, Tom Belyea, Eryn Kelley, George Danis, Libby Claypoole, Evan Sheehan, Andy McElaney, Davalene Cooper, Dave Anderson, Nancy MacDonald, Ed Gaydos, Kathleen Almand, and Town Accountant Sue Nickerson.

Absent: Eric Haskell

Chairman Baltera called the meeting to order at 7:32 pm.

Comments from the public regarding items not on the Agenda None

Approval of Minutes from February 11 and 13, 2020 Meetings
MInutes from the Meeting held on 2/11/2020 were approved with revisions by a vote of 9-0-1.
Minutes from the Meeting held on 2/13/2020 were approved with revisions by a vote of 8-0-2. Committee members Davalene Cooper, Libby Claypoole, and Eryn Kelley joined the meeting after the votes.

Update on Article H
Andy McElaney reported that he contacted Hingham Municipal Lighting Plant (HMLP) to determine answers to the following questions raised during the AdCom hearing last month on Article H, Disbursement of Electric Light Department Receipts: (a) How much have the "unexpended balances" been in recent years; (b) How much is the Construction Fund; and (c) Are these funds available to the Town for purposes other than the Municipal Lighting Plant?

The average "unexpended balance" for the seven years from 2012 through 2018, was $2,626,603, with a low of $149,907 in 2018 and a high of $3,942,836 in 2016. In 4 of the 7 years, the surplus exceeded $3,000,000.

The Municipal Lighting Plant does not have a "Construction Fund." What it does have is an account labeled "Net Investment in Capital Assets." This is equivalent to the "Retained Earnings" account of a for-profit corporations. "Retained earnings" are used to grow the business. This is a cumulative account in that it is added to each year the entity produces a surplus, theoretically at least dating back to the formation of the entity. The Municipal Lighting Plant's retained earnings account or Net Investment in Capital Assets was $28,904,039 as of December 31, 2018. These funds are not available to the Town. The Municipal Lighting Plant is not an enterprise fund as such, but in some respects it is similar to one in that its funds can only be used to benefit the ratepayers, not the taxpayers.

In response to this update, Dave Anderson noted that the asset amount of $29 million seems high, and wondered if HMLP has any plans for benefits to ratepayers, and if the PILOT payment to the Town is not high enough. Sue Nickerson confirmed that the PILOT is calculated by the number of kilowatt hours times the rate of .0025 cents, a calculation which has not changed recently. Ms. Nickerson also noted that HMLP pays OPEB (Other Post Employee Benefits) for its employees. Mr. Anderson would like to discuss HMLP at an AdCom meeting after Town Meeting this year.

Because the HMLP does not have a "Construction Fund," that phrase has been replaced in the Recommended Motion with "net investment in capital assets." AdCom voted to approve the new recommendation language 12-0. (Eryn Kelley joined the meeting after the vote.)

Budget Hearing: Capital Outlay

Capital budget liaisons Libby Claypoole and Davalene Cooper provided an overview of the Capital Outlay Budget process. Each year the Capital Outlay Committee ("COC") meets with all departments to discuss capital requests, including the nature of the need and priority. Then the COC deliberates as a committee, ranks requests within categories, and assigns a priority (1, 2, and 3), plus annual requests which seek funding each year.

COC members Eric Valentine (Chair), Matt Goulet, and Kevin Flaherty were present to discuss the proposed budget for FY21. COC's goal is to fund the necessary annual requests, plus any "priority 1" requests. The total capital request for FY21 is $3.6 million. Annual requests are $1.1 million, priority 1 requests are $1.4 million, and school capital request is $1.1 million (half of the requested $2.2 million). In addition to this operating capital request, there are 9 proposed warrant Articles dealing with capital requests.

Funding sources are the Tax Levy ($2,487,066), Municipal Waterways Improvement and Maintenance Fund ($58,500), Available Reserves ($55,000 from 2019 ATM Foster Extraordinary Maintenance Capital), User Rates/Charges ($5,426,000, including $2,200,000 for the SSCC new maintenance facility Article, because debt service will be funded from user rates/charges), and Other Funding Sources for Proposed Warrant Articles (a total amount not yet determined).

COC was not able to fund a new ambulance this year. While the Hingham Fire Department aims to follow the best practices protocol of actively using an ambulance for four years, then keeping in reserve four years, which would necessitate the purchase of a new ambulance every two years, the $400,000 request this year was not feasible. The Town Administrator is looking into finding a future funding source for ambulances, such as using ambulance fees.

Mr. McElaney noted that the SSCC pool project should be added to the capital list for next year (although no dollar amount is known at this time, it could be marked as "TBD"). Victor Baltera asked if COC has a position on whether or not the School Department should move its annual technology costs to the operational budget, to which Eric Valentine replied that COC has no position either way. George Danis wondered about the proposed repairs to Foster School, and if they were considered extraordinary, per the 2019 ATM Article which provided funding "to prevent any major system failure or loss and to provide preventative maintenance to ensure the safe operation of the building, mitigating the risk of a major building disruption". Bob Curley noted that if fire hydrant replacement request for $36,000 gets moved to the Weir River Water System budget, then the $38,000 could be absorbed by HFD to pay for other capital items which were unable to be funded. AdCom members discussed how the Town Administrator's office will begin review this summer on the capital outlay process, such as how projects get assigned to be part of the Capital Budget, a Warrant Article, or CPC.

Warrant Article Hearings and Votes

<u>II – Transfer of Insurance Funds (High School Fire)</u> – Mr. Danis presented an updated Article, which includes the exact dollar amount that was received from the insurance company to cover the repair costs incurred by the School Department after the fire at Hingham High School in May, 2019. This Article asks the Town to transfer the insurance settlement of $439,747.25 to the School Department. This insurance amount is in addition to funds of $250,00 received in the last fiscal year.

The vote to approve the recommendation was 12-0. (Ed Gaydos was not in the room at the time of the vote.)

JJ – Transfer of Insurance Funds (East School) - Mr. Danis reported that since the repairs to East School after a flood have not been completed, the Town is still owed one more payment from the insurance company. The vote to approve this Article is deferred until the check is received, which is expected to be within a week.

E – Salaries of Town Officers – Kathleen Almand provided an overview of this Article, Comment, and a favorable recommendation. This Article asks whether the Town will fix the salaries of the members of the Board of Selectmen, Assessors, Town Clerk, and Municipal Light Board. There are no changes in salary amounts from last year.

The vote to approve the recommendation was 13-0.

DD - Permission to the Hingham Cemetery Corporation to Use a Donated Parcel for Burial - Mr. McElaney provided an update on this Article to include that the Hingham Board of Health approved at its meeting on 2/20/2020 the proposed expansion of the Hingham Cemetery.

The vote to approve the recommendation was 12-0. (Kathleen Almand was not in the room during the vote.)

V - IT Department Upgrade - Libby Claypoole provided an overview of this Article, Comment, and a favorable recommendation. Steve Becker, Director of IT, joined by Assistant Town Administrator Michelle Monsegur, were present to answer any questions. This Article asks whether the Town will design, engineer, and renovate the Town Hall data center. While a larger Town Hall renovation project may be proposed at some point in the future, upgrades to the data center are desperately needed. Necessary renovations include reconfiguring the data center plus the adjoining office space, and increasing storage. The Article requires a two-thirds majority vote because the request is to borrow, not in excess of $296,000. Discussion included that this renovation is a long-term solution, and that outsourcing IT services are possible for some IT functions, but the bulk of the work is more cost effective in-house.

The vote to approve the recommendation was 13-0.

X - Town-wide Facilities Study - Ed Gaydos provided an overview of this Article, Comment, and a favorable recommendation. Town Administrator Tom Mayo, Assistant TA Michelle Monsegur, and BOS member Mary Power were present to answer any questions. This Article asks whether the Town will authorize funds not to exceed $300,000 to conduct an independent study of space needs for municipal and school buildings in Town on the use and services coming out of them. It is important to understand how the Town is using the existing space before committing to large capital projects. An additional advantage of this study would be to identify some space that could be quickly configured in order to help a program in need (therefore avoiding a long wait for a long-term capital project). The study request includes a list of specific buildings for inclusion in the analysis.

This plan fits into the Master Plan in that the Master Plan is at a higher level town-wide, and the facilities study would be a specific, lower level of planning. Discussion included the suggestion that this study be completed in time for any recommendations to be brought to Town Meeting next year. Kathleen Almand also suggested that this kind of study be completed again, not as a one-time study, but with updates to assist with future sequencing of future projects.

The vote to approve the recommendation was 13-0.

Warrant Article Votes

M - Community Preservation Committee - Julie Strehle, Dave Anderson, and Tom Belyea presented the final Comment and Recommendation on six projects for funding from the CPC. CPC Chair Larry Lindner and Vice-Chair Dan White were present to answer any questions. Nancy MacDonald will present the Article on the CPC grant for the Benjamin Lincoln House at Thursday's AdCom meeting.

Discussion on funding for the SSCC pool design and construction documents included concerns about the request for construction documents before knowing how much the total pool project will cost, whether the Town will be able to afford this project versus other large capital projects, whether this project should have been a stand-alone Article to enable it to be a referendum on the pool project itself, and whether more CPC funds should have been directed instead towards affordable housing. Suggestions were raised on ways that the SSCC could pay the Town back for the future pool construction project, including any future revenue dollars from pool operations (which may not be a significant source of funds).

The vote to approve the recommendations for five of the six CPC projects were 13-0 ($272,300 for the HAHT Opportunity Fund; $75,000 for the repairs to the tennis courts at Plymouth River School; $8,000 for improvements to the Lehner Conservation Area; $40,000 for restoration work at the Canterbury Street Cemetery; $32,030 for the restoration of the tower clocks at the Congregation of Second Parish.)

The votes to approve the recommendation of $500,000 for design and construction documents for a new pool at the SSCC was 10-2-1. Tom Belya and Davalene Cooper were recorded in opposition.

Liaison Reports

Planning - Eryn Kelley

The Planning Board voted unanimously to act upon four zoning Articles including Site Plan Review, Downtown Hingham Overlay District, Abandonment of Dwellings, and Update Floodplain Map References. There are no other pending zoning articles. The Planning Board also voted unanimously for Article GG (combined with HH into a single Article), Discontinuance and Disposition of a portion of Old Derby Street. There will be a hearing and vote on these Articles at the AdCom meeting on March 3rd.

Schools - George Danis

Mr. Danis described the School Committee and School Department's attempts to reduce their budget request with revolving fund money. The School Committee elected not to vote a budget at its meeting on 2/24/2020. BOS member Mary Power spoke at that meeting to express her disappointment that no budget vote was taken. The ACES education budget subcommittee met with members of the School Committee and Superintendent Dr. Austin on 2/25/2020 before the AdCom meeting. ACES will reconvene next Tuesday 3/3/2020 to recommend a number for the AdCom Education Budget hearing on 3/3/2020.

Warrant Process Update

Thank you to Adcom members who have submitted final Articles. Bob Curley requests that each person who had an Article voted tonight should send the final draft of the Article with revisions discussed to him, and he'll pass along to the editors.

Discussion of Advisory Committee Housekeeping Items

Next meeting will be held on Thursday, 2/27/2020, for Water Company Articles, the Benjamin Lincoln House, and the Tree By-law.

Matters Not Anticipated within 48 Hours of the Meeting - None

Adjourn - 10:32 pm.

Respectfully submitted,
Julie Strehle, Secretary

List of Documents Distributed at this Meeting:
Agenda
Draft Minutes of Meetings 2/11/2020 and 2/13/2020
Articles E, H, V, X, DD, II, JJ, M
Memorandum Dated 2/18/2020 from TA Tom Mayor and Assistant TA Michelle Monsegur to the Board of Selectmen, regarding Town-wide Facilities Space Analysis
Needham Facilities Master Plan Study
WASS dated 2/22/2020
FY2021 Five Year Capital Plan

AdCom approved 03/03/2020