

## **Advisory Committee Meeting Minutes**

**Date: May 14, 2020**

**Place: Remote Meeting via Zoom**

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

Absent: Evan Sheehan.

The Board of Selectmen joined the meeting, along with Town Administrator Tom Mayo and Assistant Town Administrator Michelle Monsegur.

Chairman Baltera called the meeting to order at 7:03 pm. He 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 chair 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 regarding items not on the Agenda*** None

### ***FY21 Budget***

Chairman Baltera recapped that a proposed FY21 Financial Management Plan was presented to AdCom at its meeting on Tuesday, 5/12/2020, which would allow the Town to maintain the previously recommended FY21 budget despite the new Forecast of decreased revenue. He asked if AdCom members had any further questions specifically on this proposed plan. Libby Claypoole asked whether starting FY21 in Tier 1 will allow the Town to save money so that the entire \$3.3 million from Fund Balance would not be necessary to close the deficit. Ms. Claypoole suggested that the financial plan document should state that the Town is entering FY21 with the Tier 1 cuts already in place. She thought it would be good for the public to know this before the vote on the budget at Town Meeting. Chairman Baltera and Sue Nickerson agreed that there was language in the plan that covered her concerns.

Eryn Kelley asked whether, after a Tier change, school budget decisions on new hires would still be under the purview of the School Committee. Selectman Karen Johnson stated that the School Committee does have statutory control over its budget. She said that the role of the AdCom is to provide external accountability on both the municipal side and the school side, and emphasized the importance of transparency around the analysis of what is "essential". Selectman Johnson added that this could change throughout the course of the year.

Dave Anderson circled back to Ms. Claypoole's question, asking about the Tier 1 plan and whether it should be noted that the Town would not exceed the \$3.3 million use of Fund Balance. Selectman Johnson commented that the action plan is meant to establish that the appropriation is available and may be completely spent as the year goes on as long as, in each quarter, the Town continues to project sufficient revenue. She agreed that, in the first quarter of FY21, there will be a delta between the amount the Town is asking Town Meeting to appropriate and the amount that the Town is actually expending and stated that may not be the case by the end of the year. What the plan does is slow down expenditures which would otherwise happen immediately. Mr. Anderson summarized that the Town will report to Town Meeting that the plan would be to keep the FY21 budget the same as proposed, but to also take immediate steps on July 1, to keep the maximum deficit to be covered by Fund Balance at \$3.3 million. Ms. Claypoole added that she would like the public to know that the \$3.3 million from Fund Balance is the maximum the Town would spend and that there is a possibility that it could be lower because of Tier 1 savings.

Andy McElaney asked whether anyone is preparing a supplemental budget with expenses incurred for when the Town and schools reopen? Tom Mayo replied that there is no information right now on the scope of financial needs of reopening, especially the schools. He expects there may be some guidance from Governor Baker on Monday, but at present there is no way to tell. The Town has already purchased plexiglass and masks to protect employees and residents in areas where Town business is conducted, but expects much larger future expenses that affect the budget, such as leasing additional buses, or funding an at-home learning curriculum that's not in the school budget right now. Selectman Joe Fisher added that costs will likely be outside the budget, but could likely be covered by COVID-19 direct reimbursements from Plymouth County or State government.

Davalene Cooper indicated it was her understanding that part of the reason for starting out with the austerity measures was that the Town has given itself a little leeway in case the Town's financial health is worse than projected. Ms. Nickerson replied that any funds that are not spent will go back to Fund Balance at the end of the year.

Chairman Baltera asked AdCom members if they were comfortable with using Fund Balance and if they felt it was allowable under the Town's Financial Policy. Mr. McElaney commented that he felt it was appropriate. Ms. Cooper noted that the Financial Policy is not a binding policy and felt that the current Pandemic was a good use of funds. Ms. Almand commented that she had some reservations about the Town not using the excess Fund Balance on a regular basis and supported the use of Fund Balance during this pandemic. She also felt that, should the financial situation extend into another year, the use of Fund Balance should be reviewed at that time. Mr. Curley also supported the use of Fund Balance and suggested a change to the wording of the Financial Policy to include a situation such as the current pandemic. Mr. Danis also was comfortable with the use of Fund Balance and added that he was not comfortable with using Fund Balance for operating expenses but was comfortable with its use for Capital projects. Mr. Anderson and Ms. Claypoole were also in agreement. Mr. Gaydos was also in

agreement that use of Fund Balance was appropriate and commented that he felt that the financial effects of the pandemic could go on for five years. Mr. Belyea concurred.

Chairman Baltera directed the discussion to solicit views on using excess levy capacity, for example if the Senior Means-Tested legislation is not passed this year. Selectman Johnson commented that the BOS felt it was not a good time to raise people's taxes and that the approximately \$500,000 that would have been used by the Senior Means-Tested Special Act would remain as unused levy capacity for the fiscal year. Mr. McElaney agreed. Mr. Anderson asked, and Selectman Johnson clarified that, by not instituting the Senior Means Tested Special Act, the people who would have benefited will not have their taxes lowered. Mr. Anderson also commented that, if the Special Act had been passed this year, he would not be advocating for it to be undone. Mr. Baltera and Mr. Anderson also clarified that the legislature was not going to pass the Special Act this year so the seniors who would qualify for the means-tested tax relief would not be getting that relief until next year and that the AdCom is not advocating for the denial of the relief. Selectman Johnson reported that she requested that the Special Act be put on hold for this year, because changes to the Act made by the State were not satisfactory to the Town, in that the language on how the Town would administer the program was not in the best interest of the Town at this time.

Chairman Baltera asked AdCom members for their views on using Fund Balance to cover the revenue shortfall but not imposing any expense controls. This approach could lead to the need for a Special Town Meeting if the Town has revenue problems. Members had no interest in discussing this alternative plan.

Ms. Claypoole returned to the SSCC budget, suggesting in case that department develops a measurable deficit, the plan should include specific language that would prevent CCMC from borrowing funds for the new maintenance shed. She also suggested that the School Department quantify any FY20 cost savings it has had due to the school closures, and that those savings should be turned back to the Town and not spent. She urged that any such cost savings not be put towards Capital projects, but rather be used to offset COVID-19 related expenses. Mr. Mayo replied that the expectation is that while the schools likely will return more than \$100,000 to Fund Balance for FY20 because of savings in fuel, copy paper, etc., the schools will also have less revenue from programs such as selling school lunches and athletic fees. The School Department understands and will do its best to stay within the budget. As for the SSCC, the CCMC plans to break its maintenance shed project into two phases across two fiscal years, so borrowing would happen later, with payments to start in FY22. Mr. Mayo said that he was comfortable with not having these plans specifically identified in the financial plan document. Mr. Mayo also responded to Mr. McElaney that while no furloughs are planned for the municipal budget at this time, the FY21 Financial Management Plan allows the Town to furlough employees or implement other expense controls regardless of the revenue picture.

A Motion was made and seconded that the Advisory Committee of the Town of Hingham hereby votes to approve and adhere to the FY21 Financial Management Plan dated May 11, 2020 and

hereby votes to authorize the Chair of the Advisory Committee to execute said plan on behalf of the Advisory Committee. The Motion was approved on a roll call vote, 13-0.

### ***Liaison Reports***

Mr. McElaney clarified that the next meeting of the Master Plan Committee is on 5/20/2020.

Chairman Baltera reported that students from Harvard's Kennedy School of Government have done a study of funding methods for the increased costs of Hingham's mandatory MS4 Storm Water Permit. In the end, the students suggest that the Town consider a storm water utility and presented several different methods. Had this study been done by a private company, the work would have cost between \$50,000 - \$75,000. Chairman Baltera thanked Ms. Monsegur for organizing the program with the Kennedy School.

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

Chairman Baltera stated that, while the next AdCom meeting is scheduled for 6/2/2020, this date may be premature, and a meeting the following week would probably be better informed about plans for how to safely conduct Town Meeting. So, the meeting date will likely be moved to 6/9/2020 or 6/11/2020. At that June meeting, AdCom will review the Tier 1 action plan, and prepare for Town Meeting, including designating which AdCom members will speak for the majority and minority on all the Articles. Article K would also be voted, for any Reserve Fund transfers necessary to close the FY20 budget at the end of June.

### ***Matters Not Anticipated within 48 Hours of the Meeting*** - None

Adjourn - 8:34 pm

Respectfully Submitted,  
Julie Strehle, Secretary

List of Documents Distributed for this Meeting:

Agenda

Approved on 6/11/2020