

Board of Selectmen

May 14, 2020

Remote meeting via conference call

Joint Meeting with the Advisory Committee

Present:

- Board of Selectmen: Ms. Karen Johnson (Chair), Ms. Mary Power and Mr. Joseph Fisher
- Mr. Tom Mayo, Town Administrator
- Ms. Michelle Monsegur, Assistant Town Administrator
- Ms. Sue Nickerson, Town Accountant
- Advisory Committee Members: Victor Baltera (Chair), Robert Curley (Vice Chair), Tom Belyea, George Danis, Libby Claypoole, Andy McElaney, Eric Haskell, Davalene Cooper, Ed Gaydos, Julie Strehle, Davis Anderson, Eryn Kelley, and Kathleen Almand

Call to order: 7:03 pm

Ms. Johnson called the BOS 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 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

FY 21 Budget

Mr. Baltera noted that the Advisory Committee has seen a presentation on the proposed FY21 Budget Plan and asked if there were any questions. Ms. Claypoole asked if the Town would see a different number for the projected \$3.3 million shortfall to account for austerity measures that are already in place prior to the start of FY21. Mr. Baltera clarified that the question is asking, if the Town stays within Tier 1 from present through FY21, that the Town may not have to use the entire \$3.3 million in fund balance because expense controls may keep the Town below the total budget. Ms. Claypoole wondered if it should be incorporated into the document 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 revised budget at Town Meeting. Mr. Baltera and Ms. Nickerson, Town Accountant, agreed that there was language in the budget that covered her concerns.

Ms. Kelley questioned where the authority of the Advisory Committee stops and is taken over by the School Committee, with regard to essential hires. She was referring to language on page 6 of the document. Ms. Johnson stated that the School Committee does have statutory control over their budget. She said that the role of the Advisory Committee 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”, adding that this could change throughout the course of the year.

Mr. Anderson, referencing Ms. Claypoole's question, asked about the "Tier 1 Action Plan" and whether it should be noted that the Town would not exceed the \$3.3 million use of Fund Balance. Ms. 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 see itself continuing on the appropriation path. 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. She referenced page 8, Section 7.8 of the Financial Plan, which states that, if the financial situation improves or additional revenue sources are identified, the Town can responsibly spend the entire appropriation, the Advisory Committee, the Forecast Group and the Board of Selectmen can make those recommendations. She added that they do not want to be in a position where they have to ask for more Fund Balance. Ms. Claypool added that she would like the public to know that the \$3.3 million in 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.

Mr. McElaney asked if anyone has started to prepare a supplemental budget for any additional expenses that may occur when the Town and the schools re-open. Mr. Mayo answered that they do not have a good idea yet of what those additional expenses may be but he expected to receive some guidance with regard to this on Monday from the Governor's Advisory Board on his reopening plan. He commented that he has been asked to be on the School Department's Reopening Committee and he expects them to be planning for both in-person and remote learning but has not seen any of those plans yet. Mr. Baltera asked if he felt that associated costs would be higher or lower than normal. Mr. Mayo was unsure due to the fluidity of the situation and did not feel he could make an informed estimate on the net cost at the moment.

Mr. McElaney also asked about masks for employees and Plexiglas dividers on desks. Mr. Mayo said that the Town has already purchased masks for all Town employees and is in the process of erecting Plexiglas dividers at all public interaction areas. He added that the larger costs that would really affect the budget would be things like adding additional busses or for costs associated with a remote learning curriculum. Mr. Fisher suggested that these types of additional costs would likely be covered by COVID-19 related reimbursements from either Plymouth County, the State, or the Federal Government. Mr. Mayo agreed.

Ms. Cooper indicated that 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 worst than projected. Mr. Mayo agreed. Ms. Nickerson said that any funds that are not spent will be added back to the Fund Balance at the year of the year. Mr. Baltera agreed and added that he expects to have the Tier 1 Action Plan available to discuss at the next Advisory Committee meeting in early June.

Ms. Claypoole asked if the Town would ever move into a new Tier during a quarter. Ms. Nickerson said that, since much of the Town's billing is quarterly, she did not believe that they would move into a different Tier mid-quarter. There was some additional discussion of the Financial Management Plan.

Mr. Baltera asked the Committee 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 Plan 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 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.

Mr. Baltera then asked the Committee for their views on using excess levy capacity, for example if the Senior Means-Tested legislation is not passed this year. Ms. Johnson commented that the Board 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 Ms. Johnson clarified that, by not instituting the Senior Means Tested Special Act, the people who it would benefit would 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 circuit breaker tax relief would not be getting that relief until next year and that the Advisory Committee is not advocating for the denial of the relief.

Ms. Claypoole suggested that there may need to be some language in the plan that identifies a point at which the SSCC be subject to austerity measures, such as not asking for taxpayer dollars to fund the new Maintenance Facility. She also suggested that the School Department quantify any FY20 cost savings they have incurred due to the school closures, and that they should be turned back to the Town and not spent. She also suggested that any such cost savings not be put towards Capital projects, but rather be used to offset COVID-19 related expenses. There was some ensuing discussion.

Advisory Committee Vote: Ms. Claypoole made a motion that the Advisory Committee of the Town of Hingham hereby votes to approve and adhere to the FY21 Financial Management Plan date May 11, 2020, and hereby votes to authorize the Chair of the Advisory Committee to execute said plan on behalf of the Advisory Committee. Seconded.

There was some additional discussion regarding the following:

- Agreement that the School Department plans to identify COVID-19 related turn backs.
- Agreement that the SSCC would halt the construction of the proposed Maintenance Facility if revenue shortfalls become larger than expected
- Agreement that the Financial Management Plan allows the Town of Hingham the right to furlough employees or implement other expense controls regardless of the revenue picture

Roll Call Vote:

Robert Curley: yes
Julie Strehle: yes
Tom Belyea: yes
Eric Haskell: yes
Eryn Kelley: yes
Libby Claypoole: yes
George Danis: yes
Andy McElaney: yes
Davalene Cooper: yes
Dave Anderson: yes
Nancy MacDonald: yes
Ed Gaydos: yes
Kathleen Almand: yes
Evan Sheehan: absent

Liaison reports

Mr. Baltera noted that students from the Kennedy School of Government have done a study of funding methods for the increased costs of Hingham's mandatory MS4 Storm Water Permit. He reported that they suggest that the Town consider a storm water utility and presented several different methods. He further reported that the value of this study, had it been done by a professional company, would be valued at \$75,000. He thanked Ms. Monsegur for organizing the program with the Kennedy School.

Discussion of Advisory Committee housekeeping items

Mr. Baltera advised the Committee that their next meeting would be the week of June 7 and anticipated that they would have the Tier 1 Action Plan at that time. He also commented that they would discuss Town Meeting preparations at that time.

Ms. Johnson thanked the Advisory Committee for their questions and comments about the FY21 Financial Plan. She said that the Board appreciated the collaboration and collegiality of the School Committee during this process. She expressed her appreciation that the Advisory Committee, the School Committee and the Board of Selectmen all worked together for the good of the Town.

BOS Vote: Mr. Fisher made a motion to adjourn. Ms. Power seconded.

Roll Call Vote:

Mr. Fisher: yes
Ms. Power: yes
Ms. Johnson: yes

BOS Meeting adjourned at 8:11 pm

Documents: A complete meeting packet of supporting documentation is on file and available for public review in the Board of Selectmen's office.

