

Approved
2/24/16

**TOWN OF HAMILTON
FINANCE & ADVISORY COMMITTEE
TOWN OF WENHAM
FINANCE COMMITTEE
FEBRUARY 10, 2016**

The Hamilton Finance & Advisory Committee (Rick Sprenkle, David Wanger, Nick Tensen, Joe Hughes, John Kain present) and Wenham Finance Committee (Michael Lucy, Richard Quinn, Alexander Begin, Ned Flynn present, Mike Therrien absent) met jointly at the Buker School at 6:40 p.m. on Wednesday, February 10, 2016. Hamilton Town Manager Michael Lombardo, HW Library Director Jan Dempsey, Hamilton-Wenham Recreation Director Sean Timmons, and Wenham Finance Director Angel Wills also present.

Call to order

Rick Sprenkle called the Hamilton Finance & Advisorsy Committee meeting to order at 6:40 p.m. and Mike Lucy called the Wenham Finance Committee meeting to order at 6:40 p.m.

FY'17 presentation of Joint Town Budgets: Recreation and Library

H-W Recreation Director Sean Timmons summarized how his department has 1.5 FTEs and health insurance for the new administrative assistance is a family plan versus individual plan for prior assistant (55% cost increase). Hamilton's contribution is 75% and employee contribution is 25% for health insurance costs. The new assistant was hired at a lower step than the previous employee. Also, expenses including utility costs are down \$1,500 in the department.

Discussion ensued about how the cost of healthcare has gone up \$200,000 since 2012 in Hamilton. The Town has budgeted for an 11% increase in the FY'17 budget for healthcare insurance cost. Hamilton is seeking quotes on this insurance from other vendors. Wenham is projecting a 10% increase in GIC.

Also noted was that as much money as possible in the Recreation Revolving fund is put back into fields and facilities shared with HWRSD. Some improvements are done as well (i.e., repair of tennis court fence at Pingree Park). A softball program has been added to athletic programs. This has impact on playability of local fields. Discussion addressed how funds are being sought from the Community Preservation Committees

expenses are paid for directly by the group. The library will have no capital requests for FY'17. The elevator maintenance is done through quarterly maintenance contract and a load bearing test will not have to be done this year so the cost has gone down \$1,466. Discussion ensued about how \$7,500 grant was received by the library and generous donations have been used for library materials.

For the next cycle, the library budget will include donations and grants so credits will be understood as part of total budget cost and offsets. Dempsey noted that \$7,500 is a typical grant for the library and is used for part time staff, and special programs.

Discussion ensued about how many patrons annually are using the library (Dempsey will provide numbers associated with foot traffic to the FinComs) and if digital access to information was reducing the need to visit a library. Dempsey mentioned that people visit the library for varying reasons (i.e., books, programs, materials to teach a class, art shows). It was noted that use of the library ebbs and flows based on state of economy and when it is weak there is more library use especially for digital access.

Discussion ensued about ongoing cost of ECO retirement benefit as well as 11% health insurance increase projected, and annual retirement allowance. The cost share split for health insurance for retirees is 55% paid by the municipalities and 45% paid by the retiree. The Medex plan was changed last year which was a saving for the communities and retirees.

Also noted was for the joint library budget of \$719,810 this is \$19,000 more than last year and includes \$12,500 for operating expense increase, and insurance/retirement. This is based on administrative allocation based on valuation with split of 65.4% for Hamilton versus last year's 65%.

Discussion of additional joint efforts to reduce municipal costs

Also addressed was increase in Wenham's tax burden associated with school costs. Discussion was on increase in healthcare costs and how the private sector is switching from HMOs to high deductible plans and use of healthcare savings accounts. Analysis is also being done on administrative alignment where services could be consolidated such as one common fire chief for the two municipalities, when the two current chiefs retire within a similar timeframe, which could be a cost of \$150,000 split between the two towns. Also mentioned was use of call firefighters and if a larger fire district would be put in place since it is difficult for call staff to commute to full time employment and get back to fight a fire. In addition, if fire trucks should be strategically located in both towns to efficiently serve both towns.

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municipalities. Also mentioned was if budgeting for a plant engineer would be a more cost efficient way to manage and maintain joint facilities.

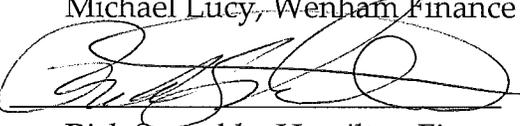
Lucy entertained a motion for the Wenham Finance Committee to adjourn from the joint meeting at 8:10 p.m. Quinn so moved. Flynn seconded the motion. VOTE: Unanimous.

Sprenkle entertained a motion for the Hamilton Finance & Advisory Committee to adjourn at 8:10 p.m. Wanger so moved. Tensen seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____

Michael Lucy, Wenham Finance Committee Chairman

ATTEST:  _____

Rick Sprenkle, Hamilton Finance & Advisory Committee Chairman