

Hamilton / Wenham Finance & Advisory Committees
Joint Meeting
Wednesday, July 31, 2013
Bessie Buker School, School Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30A, §§ 18-25 written notice posted by the Town Clerk and delivered to all Committee members, a meeting of the Wenham Finance & Advisory Committee and the Hamilton Finance & Advisory Committee was held on Wednesday, July 31, 2013 at 6:30 pm in the Multi Media Room.

Mr. Lucy called the Hamilton / Wenham joint Finance & Advisory Committee meeting to order at 6:35 pm.

Wenham

Finance Committee Present: Michael Lucy, Chair; Hilliard Ebling, Jeff Fotta; Kat Mansfield, Rick Quinn
Also present: Mark Andrews, Town Administrator; David Genereux, Interim Finance Director, Bay State Accounting; Catherine Tinsley, Minutes Secretary

Hamilton

Finance Committee Present; John McWane, Chair; Rick Sprinkle
Also Present: Town Manager Michael Lombardo; Finance Director Deb Mena,

Officials also present but not participating:

HWRSD Superintendent Michael Harvey; School Committee members Janise Bertram and Bill Derry; Hamilton BOS Chair Mark Johnson; Wenham BOS Chair Ken Whittaker

Abbreviations used:

FinCom - Finance & Advisory Committee

BOS - Board of Selectmen

HWRSD - Hamilton Wenham Regional School District

SC - School Committee

FY Fiscal Year

Public information

Agenda

Mr. Lucy called the meeting to order and noted joint FinCom meetings of the Hamilton and Wenham Finance and Advisory Committees are held periodically during each year. He stated that the purpose of this evening's meeting was to discuss financial matters of the two towns, but that no decisions would be made at this time.

1. Library Staff Wage Adjustment

Mr. Andrews gave an updated regarding the ad hoc committee that has met to discuss the library staff wage increase and information / trending analysis's regarding labor rates and salaries, and what options are available to the towns.

Wenham is the lead town for the library. Jan Dempsey, Library Director was present and spoke about the matter.

Ms. Dempsey summarized that the library staff wages are not keeping up with the market rate of similar towns. She stressed the importance of paying market rates to retain well-trained staff. The ad hoc sub committee is comparing salaries with other towns and looking at options to recommend to the FinCom/BOS. Ideas are being discussed well in advance of the next budget season, with the possibility of addressing this at the 2013 fall town meetings.

Mr. Lombardo asked for clarification on the time line. He was told that the goal of both towns is to have this information prepared for the fall Town Meeting vote.

Mr. McWane noted that this issue has been ongoing for several years and that the Hamilton FinCom is receptive and supportive that this be prepared for action at the fall town meeting, pending actual figures. Ms. Dempsey responded that the sub committee would provide financial information, but the impact to the budget would be greater than \$10,000, possibly closer to \$20,000. She noted that one goal is to create and implement a step system to increase the wages annually. Mr. Lucy observed that Wenham recently phased cost increases into the budget regarding the fire department and suggested this may be an option to fund increases for the library.

It was the consensus of the meeting that this be prepared for the fall town meetings.

2. Patton Park Community Pool- Upgrade Project

Mr. McWane gave a brief history of the Patton Park Pool saying it was constructed 61 years ago with a lot of donations and volunteers sponsored by the Hamilton American Legion. The pool has been patched and repaired over the years and it is time to make a decision about the future of the pool. He noted that Conservation Preservation Act funds could now be used by the towns to pay for repairs/ updates for the pool.

Wenham was invited to be a partner in the project and share the costs as a joint, two-town community project and have the same use as Hamilton residents. Mr. McWane went on to explain the Pool Committee completed a study and three options were presented for consideration. Ideally, the project would be ready for a vote at the fall town meeting so that work can start immediately and completed in time for some use in 2014 summer. Mr. Lombardo stated the RFP is being drafted to be flexible and to include separate costs of options. He noted that regardless of the option that is approved, a new bathhouse is needed.

- a. Renovate existing pool
- b. Modify/ add on to the pool
- c. New pool

Examples of options include: zero entry, kiddie pool, splash pad, concession stand, etc.
Project cost estimates range from \$800,000 to \$3 million.

Mr. Lucy responded that Wenham has not seen the options, reports, or had an opportunity to gather public feedback, etc., and was therefore not informed enough to make a decision; Selectman Wilson as the liaison on the committee will be asked to speak on the subject. Mr. Lombardo will arrange for Wenham to see the PowerPoint presentation, including the results of the community survey regarding the pool, options, and cost estimates. It was noted that \$250,000 was raised to update the playground at Patton Park.

3. HWRSD Financial Matters

- a. Review recent letters regarding **Massachusetts School Building Authority (MSBA) capital projects** and use of Excess & Deficiency (E & D) funds;
- b. **RSD Budget Surplus** – procedure for refunding to Towns;
- c. Arrange **Joint FinCom meeting with HWRSD leadership in September** regarding FY15 budget cycle development.

a. MSBA Capital Projects: HWRSD Superintendent Michael Harvey was present. He was asked to summarize the status of the capital projects being organized through MSBA. He stated that the HWRSD was invited by MSBA to participate in the accelerated repair program for the replacement of the boilers in the Bessie Buker School and the boilers and glass curtain wall in the Winthrop school. Although the funding for the project must be appropriated, reimbursement through the program is about 43%. He reiterated that they have not been approved yet, but the process has begun with the feasibility study phase. The SC voted to appropriate the funds for the studies, which are submitted with a target date of October to be brought to fall town meeting for approval.

The estimated cost for the work is 2 million dollars. He noted that MSBA requires project manager and design firm, contingencies, which increases the cost but with the reimbursement makes it worth the extra cost.

The work will bring the major repairs to the buildings up to date i.e. heating systems, roofs, insulation work, and window replacement with the goal that the buildings are up to date and could be used for another 30 years.

Mr. Harvey talked about the sprinkler system for the Bessie Buker School, explaining that because there is no external egress from the classrooms, code requires a sprinkler system in the building. The estimates for this project were very low at \$154,000; the lowest bid was \$600,000.

The approval for the additional funding will be on the fall town meeting warrant for a 20-year bond. He noted MSBA does not cover this type of work. Mr. Andrews complimented the Schools for accessing state funding through the MSBA program, and that both school projects were considered. All required paper work is being submitted and the project to go to bid over the winter. The work will begin in the summer of 2014.

Mr. Andrews referenced three letters from Superintendent Harvey, dated June 24, 2013.

b. RSD Budget Surplus:

Mr. Harvey went on to explain that the school committee initially had committed \$450,000 from the FY12 to fund the FY14 budget but after a review at the end of the year, the School Committee voted to use the remaining \$146,000 of the E & D fund to further reduce the assessments to the towns. This will reduce the assessment for Wenham by \$46,000, and Hamilton by \$101,000, per the formula agreement.

The second letter was from the Treasurer notifying the towns that the SC approved a BAN (temporary borrowing) for \$2,075,000 for school building projects that will be converted to bonds around October 2013 when the projects are completed.

The Treasurer notified the towns that the School Committee approved a transfer of \$765,422 from the E & D fund account to cover deficiency in the Capital Account. Mr. McWane noted that by law Selectmen have 45 days to accept or hold a special town meeting to challenge the motion of the SC to use ED to operating budget; the Hamilton BOS voted not to challenge this action. Mr. Andrews said he spoke to the Auditing Firm, saying the right thing to do is to not challenge this motion. Mr. Harvey further explained that if the school did not do this, the E & D fund would be frozen by Department of Revenue.

Mr. Lucy introduced the discussion of returning excess funding to the towns. He explained that after all revenues are received by the school, including the Towns' assessments, state or federal aid, etc., that **any money received in excess of the submitted budget be returned to the Towns, each year, automatically.**

Mr. McWane further explained that the SC must estimate the figures from State Revenues during the budget process. The actual amounts are not known until after the budget has been approved (July). Now that the Town meetings have been moved into April, the estimates from the state will not be ready. On behalf of the FinComs, he asked that Mr. Harvey bring this policy to the SC for consideration in time to be voted at the fall town meeting. He also added that if there were a short-fall in the budget after the state aid is received, the towns would be prepared to add to the school budget to cover the short-fall at the fall town meeting. Mr. Harvey said that he thought that a routine protocol covering required adjustments in the Town assessments -- up or down -- made sense and he would bring it to the HWRSD School Committee. Mr. Harvey was commended for his awareness of the Towns' financial needs.

c. Joint FinComs and RSD Leadership Meeting: Mr. Lucy asked that joint meetings with the town/schools begin in September to discuss the budget -- prior to the "budget season" -- to better understand where each other is headed. This suggestion was supported and a meeting in late September is being organized.

4. Special Town Meeting

Mr. Andrews said that the Towns are working with the schools to schedule the fall town meeting to assure the MSBA schedule is met. Tentatively, the first week of November is being considered to meet all the necessary timelines.

5. Inter – Municipal Agreements (IMA)

The FinCom's will review the list of IMA's for shared service. Mr. Lucy noted that a number of these agreements are "aging" and should be reviewed and suggested a joint ad hoc sub committee be made up of designees from BOS, FinCom, Town Counsels, to review the existing IMAs by November if possible. It was also suggested the SC review the HWRSD regional agreement.

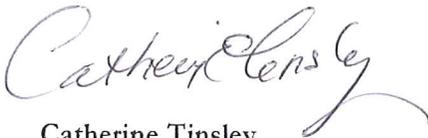
6. Other matters

Mr. McWane noted the joint meeting was very useful, noting it allows the communities an opportunity to see how the Committees work. Mr. Lombardo suggested that as the budget calendars are reviewed to plan discussions regarding the shared / joint programs prior to the budget season, and meet again after and that there be a meeting for the managers of the joint departments to present to both FinCom's.

7. Adjournment: There being no further business, Mr. Ebling moved to adjourn the joint meeting at 7:53 pm and it was unanimous to do so.

The Wenham Finance Committee continued in session to approve minutes. Separate minutes were taken.

Respectfully submitted by



Catherine Tinsley
8.9.13

McWane 9/25/13