

TOWN OF WENHAM

Finance & Advisory Committee
Meeting of Joint Wenham & Hamilton Finance Committee
The Hamilton Wenham Regional School District Leadership
November 18, 2015
Bessie Buker School. 5 School Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all Committee members, a meeting of the Finance & Advisory Committee (FinCom) was held on Wednesday, November 18, 2015 in the Multi Purpose Room

1) Call Meeting to Order

With a quorum present, the meeting was called to order at 6:35 pm.

Wenham Finance Committee Members present: Michael Lucy, Chair; Alex Begin; Rick Quinn; Michael Therrien; Not Present Ned Flynn

Also present: Peter Lombardi, Town Administrator; Angel Wills, Finance Director;
Catherine Tinsley, Recording Secretary
Selectmen Harrison, present, not participating

Hamilton Finance Committee Members present: Rick Sprenkle, Chair; Nicholas Tensen; David Wanger; Joseph Hughes, John Kain

Also Present: Michael Lombardo, Town Manger; Brian Connolly, Finance Director

Hamilton Wenham School District (HWSD) Leadership Team; Dr. Michael Harvey, Superintendent; Jeffrey Sands, Assistant Superintendent of Finance; School Committee Chair Larry Swartz

Present in the audience School Committee members Stacey Metternick; Hannah Fraley; Deb Evans; Dennis Hurley; Nancy Bergner, Recording Secretary

Public information

The meeting was recorded with permission by HWCAM

The purpose of this joint meeting was for the Wenham & Hamilton Finance Committees, and the Hamilton Wenham School District to discuss challenges and goals in preparation of the FY 17 budget season.

Mr. Lombardi introduced the PowerPoint presentation to further explain the challenges Wenham faces entering into the FY 17 Budget Season.

Ms. Wills narrated the presentation that included:

- Revenue Assumptions - Increase levy limit by 2.5% and eliminate excess levy limit
- Assumed Expenditure Increases:
- Increased Legal fees
- Enrollment Shift increase to Wenham – up 1.36 % (\$302,000)
- Use of Free Cash
- Un-funded OPEB responsibility

Mr. Lombardi reviewed the Budget Implications from the use of one-time funds over the past few years (excess Bond Proceeds, School Stabilization fund, Free Cash) to balance the budget; these funds are not available year to year.

The town has the fixed budget drivers such as increases in insurance, pensions, debt, as well as unfunded needs such as OPEB, and the Capital Improvement Program.

The Town is preparing a level service budget for FY 17 with a 3% maximum increase, and an increase in applying for grant funding

Mr. Sprenkle spoke for Hamilton, agreeing that last year went well in part to the early conversations between the towns and the school.

He went on to say that the low of commercial revenue in Hamilton (and Wenham) puts a burden on the taxpayers with above average tax rates, especially for residents on a fixed income and encouraged keeping the cost increases at a minimum while still maintaining excellent schools

Hamilton Fin Com prepared a list of questions and area's of interest that may impact the cost/budget such as hiring trends, OPEB, enrollment trends impacting curriculum, and the possibility of the solicitation of private funding.

Mr. Sprenkle stated the town of Hamilton has targeted the town/ school level service budgets with a 2% increase, and a zero capital improvement plan.

He said that if the school cannot meet this goal after significant effort that there is early communication between the town / school.

Mr. Swartz responded, saying the school appreciates the budgets of the towns and are sensitive to the cost to run cost quality schools at an efficient cost and look forward to continued dialog with the towns going forward.

Dr. Harvey reiterated the school continues to establish a process to "dig" in to the numbers and ask the questions if this is the most efficient way to do things. The school will continue to go through the numbers to provide the best education and the best possible cost.

Mr. Sands echoed that the goal / obligation is to prepare a thoughtful transparent budget to meet the needs of both the school and the towns.

The budget will be presented to the School Committee on December 17, 2015 and all were encouraged to attend. The goal is to adopt a budget on February 11, 2016.

The School is starting with a level service budget, which includes recently negotiated three-year contracts with their unions that includes a 2.5% COLA increase and must be incorporated in the budget.

He identified some significant unknown cost increases, and some challenges that include;

- Healthcare insurance premiums
- Transportation Contract (expires on June 30, 2016)
- Staff organizing related to enrollment
- Out of district placement / tuition rate / transportation increases

Development of a five-year capital plan for the district will be presented to the School Committee as part of the budget process.

A general discussion ensued, with in put from the school committee about budget impacts including school choice enrollment, review of overall budgets for each school, stabilizing the elementary school facilities for the next 20 years with a plan for after this time.

The schools will work with the town to predict future enrollments with actual data.

ADJOURNMENT

The Wenham Finance Committee recessed with the intention to reconvene to continue with their agenda items.

The Hamilton Finance Committee and the HWRS adjourned at 7:47 pm

Wenham Finance Committee- Continued

Public Information:

Agenda

Reserve Fund Transfer Requests (2)

Financial Policies

Budget Presentation

1) The Finance Committee reconvened at 7:54 PM. Mr. Lucy called the meeting to order.

2) Chairman's Update; Town Administrator Update

Mr. Lombardi reported he initially met with the Department Heads on October 15, 2015.

Budget presentations to the BOS will be held on December 5, 2015.

3) Reserve Fund Transfers (RFT) Vote:

Codification Project

Town Counsel, Paul Weaver was present and summarized the Legal Codification Expense, explaining this is a continuation for the legal base study update to renumbering and updating town bylaws. After a Request for Proposals was issued. General Code out of Rochester NY, that specializes in small town legislation, will do the review, codification and digitalization of the towns bylaws, acts, and statutes. The company will maintain and update the information on the town's web site to keep it current.

The Reserve Fund Transfer request is for \$4,000 to initiate phase I of the codification.

Phase II will be a part of the FY 17 budget. There is an annual maintenance fee of \$1000.

The BOS approved

Vote: Mr. Quinn moved, and it was seconded, to approve the Legal Expense Codification RFT request of \$4,000. The motion carried unanimously.

Lakeview Property Appraisal

Mr. Lombardi reviewed that the town received a formal notification of the intent to convert the Lakeview Golf course property that is a chapter 61 property. This is a 32-acre parcel that has been held in chapter 61 for recreation.

The town has the right of first refusal and the state statute governs the timeline.

The first step if for the town to have an appraisal of the property done.

The BOS approved an appraisal be done for a fee not to exceed \$15,000.

APPROVED 6.22.16

The RFT request is for the fee associated with the appraisal contracted at \$7,500.

*Vote: Mr. Therrien moved to approve the RFT for \$7,500 for the appraisal of the Lakeview Gold Course
The motion carried unanimously.*

4) Approval of Minutes: September 16, 2015

Vote: Mr. Therrien moved to approve the September 16, 2015 minute and it was unanimous to do so.

7) Next Meeting: Saturday, December 5, 2015; 9 AM @ Town Hall

8) Other matters, as may not have been reasonably anticipated by the Chair (discussion only).

9) Adjournment

The finance Committee unanimously adjourned at 8:20 pm

Respectfully submitted by

Catherine Tinsley
1.24.16