

**Advisory Committee  
Meeting Minutes  
2/25/2016**

In attendance: Committee Members Anderson, Baltera, Belyea, Coughlin, Hancock, Haskell, Kelley, Kutsch, MacKay, Pyles, Sharkansky, Smallwood, and Taylor, and Town Accountant Nickerson.

Chairman Pyles called the meeting to order at 7:30 PM.

*Questions from the Public on Items Not on the Agenda:* None

**Warrant Articles**

*Article P – Water Company Acquisition Feasibility Continuation*

Tom Pyles prefaced the discussion by noting that AdCom was only hearing this Article and would vote on it at a subsequent meeting. Jim Taylor presented the Article and recapped the draft comment that he wrote, including background information and a description of the current situation. He noted that the AdCom folders contained a letter from Edna English regarding the purchase of the Water Company.

Article P requests that the Town appropriate from available funds up to \$300,000 to be used by the Board of Selectmen for fees and costs related to the feasibility of acquiring the Water Company. Parties involved in the current litigation are waiting for the judge to rule on the purchase price. Jim explained that there is the possibility of an appeal in this case and that it could take up to a year to resolve this matter. In response to a question posed by an AdCom member, John Walsh, Vice President of Operations for Aquarion Water Company, said that Aquarion is allowed to include legal fees in the water rates, but the company does not plan to have customers pay its legal fees in this case.

Hingham, Hull, Cohasset, and Norwell are impacted by the litigation. Hingham is bearing the legal costs for the four towns. At the conclusion of the case, if Hingham purchases the Water Company, Hingham will issue debt to be reimbursed by the ratepayers in all four towns, and the legal fees will be rolled into the debt issuance. AdCom members asked if the Town would have to go back to the well again for legal fees. Hingham Town officials think that \$300,000 will take us through the appeal process. Legal counsel has cautioned people about public discussion of matters that belong in executive session while litigation is occurring.

*Brief Intermission*

AdCom members took a brief intermission while waiting for the BOS to vote on specific Articles. They reviewed the status of the Warrant Articles and were reminded that (a) the AdCom hearings occur after the BOS hearings and (b) the AdCom votes occur after the BOS votes. Jim Taylor reviewed the plan for the Budget review / vote scheduled for later that night. He noted that the new fuel contract for the Town has caused a decrease in department expenses. To get to a balanced budget, AdCom members have the following options:

1. Accept the Town Administrator budget, i.e., accept the Education Subcommittee recommendation on the School budget, accept the entire Capital budget, and eliminate all department additional requests for funding.
2. Modify the Town Administrator budget
  - a. Increase / decrease the School budget
  - b. Reduce the Capital budget (the Capital Outlay Committee has proposed a list of potential deferrals)
  - c. Reinstate some of the requests for additional funding

### *Article FF – Town Administrator Special Act*

The following members of the Town Administrator By-Law Committee attended the meeting: Karen Johnson, Charlie Cristello, Tom Carey, and David Pace. Eric Haskell thanked the Committee members for the information that they presented at the AdCom hearing on 2/23. Tom Belyea expressed concerns regarding potential changes in current practices and jurisdiction that may extend TA authority and limit board authority over departments. Karen Johnson and Tom Carey responded. Dan Coughlin made a recommended motion on Article FF. AdCom members approved this Article by a vote of 10-1. Tom Belyea voted in opposition, and his vote was recorded. Linda Kutsch was not present for this vote.

### *Brief Intermission*

AdCom members took another brief intermission while waiting for the BOS to vote on specific Articles. They resumed meeting at 10:10 PM.

### *Article R – Transfer Funds to the SPED Reserve Fund*

Guests for the School Articles included School Superintendent Dorothy Galo, School Business Manager John Ferris, School Committee Chairman Andy Shafter, and School Committee Members Liza O'Reilly, Ray Estes, Carol Falvey, and Ed Schreier.

Linda Kutsch presented Article R. Dorothy Galo and Ray Estes provided details about the SPED Reserve Fund. This fund is restricted and can be used only for out-of-district special education expenses. The cap on the fund is 2% of net school spending. The proposal is for the Town to transfer \$100,000 from available funds (Unassigned Fund Balance) to the Special Education Reserve Fund. Linda made a recommended motion on Article R. AdCom members approved this Article by a vote of 12-0.

### *Article T – Insurance Proceeds in Excess of \$20,000*

Linda Kutsch presented Article T and explained that the Town has received \$25,239 from the insurance company as reimbursement of costs associated with repairs necessary at PRS due to damage from heavy snowfall last winter. Town Meeting must approve the expenditure of any insurance recoveries in excess of \$20,000 prior to final expenditure. Linda advised that the dollar amount may increase by \$7,000 (the outstanding amount), and, if it does, the AdCom will have to re-vote the Article. Linda made a recommended motion on Article T (specifying \$25,239). AdCom members approved this Article by a vote of 12-0.

### *Article S – High School Health and Wellness Center (HAWC) Design Funds*

The hearing for Article S occurred on 2/11. Dan Coughlin opened the discussion on HAWC and announced that the dollar amount associated with Article S is \$232,000. Ray Estes described the design in three phases:

1. Schematic design (\$89,000)
2. Design, engineering, and construction documents to get true cost estimates (\$105,150)
3. Bidding and permitting tasks (\$37,000)

Ray explained that the School Committee is requesting \$232,000 but would settle for \$89,000 in order to do enough of the schematic design to get a rough idea of construction costs. Jim Taylor presented the questions about HAWC that he had previously collected from AdCom members. Ray Estes and Dorothy Galo provided answers and also talked about School project priorities in the future, some of which are dependent on enrollment studies. Regarding HAWC, they noted that they are asking for funds to design the base project plus additional renovations, but they may not build everything. Jim Sharkansky asked a series of additional questions.

Tom Pyles pointed out that the proposed expenditure of funds in Article S is not a commitment to a long-term project. Construction costs would not be known until after schematic design is complete. Jim Taylor

noted that HAWC would compete with many other Town projects in future years. He suggested that Annual Town Meeting will not support the construction of HAWC, and the plans could sit on the shelf for many years. Ray Estes reiterated that phase 1 would define the scope and narrow the construction cost slightly. Dan Coughlin reported that the BOS expressed concern about HAWC and did not support any action on this Article. Dan spoke about the importance of the health education needs at the High School, as well as the fitness needs, but he did not support the Article. Dan recommended No Action on Article S. AdCom voted 10-2 for No Action. Eric Haskell and Victor Baltera vote against No Action and asked for their votes to be recorded.

#### *Forecast and Budget Discussion*

Due to the lateness of the hour, Tom Pyles agreed to postpone the budget vote until the 3/1 meeting. AdCom members spent a few minutes discussing the latest Forecast (version 1.3a) with Town Administrator Ted Alexiades. His recommended budget shows a surplus of \$18,388 versus the earlier deficit of \$2,648,298. This was made possible by the following changes:

- An increase in Fund Balance by approximately \$1.5M due to the projected FY 2016 surplus, FEMA reimbursements, and the transfer of excess Overlay funds.
- A decrease in expenses of approximately \$1.1M due to the removal of all additional requests from municipal departments and the reduction of the School budget (per the Subcommittee recommendation).

The BOS voted all budgets earlier in the evening based on Ted's recommendations but agreed to fund the additional requests for the Animal Control Officer and the Library. This reduced the surplus to about \$2,000. Ted explained that, if AdCom funds these additional requests and considers restoring other requests, his suggestions, in priority order, would be IT funds for the Accounting Department and paving supplies and snow removal funds for the DPW.

*Matters Not Anticipated within 48 Hours: None*

#### *Adjournment*

The meeting was adjourned at 11:59 PM by a vote of 12-0.

Respectfully Submitted,

Lucy N. Hancock  
Secretary

#### List of Documents Distributed at this Meeting:

Agenda for AdCom Meeting of 2/25/2016  
Five Year Forecast v1.3a (3 pages)  
Additional Requests FY17 as of 2/25/16 (from Town Administrator)  
Budget Scorecard dated 2/25/2016  
Article R - Transfer Funds to the SPED Trust Fund  
Article T - Insurance Proceeds in Excess of \$20,000  
Article S - High School Health and Wellness Center Design Funds  
Letter from Edna English regarding the purchase of the Water Company  
Draft Comment for Article P (Water Company)