

**Advisory Committee
Meeting Minutes
3/7/2017**

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

Chairman Taylor called the meeting to order at 7:30 p.m.

Questions from the public on items not on the agenda: None

Approval of Minutes

Members approved the February 28, 2017 minutes with revisions on a 12-0 vote. Member MacKay abstained, as he was not in attendance at that meeting.

School Budget review and recommendation

Member Baltera recused himself from consideration of the School budget. AdCom Education Subcommittee ("ACES") Chair Kutsch reviewed the School budget process to date including School Administration, School Committee, and ACES contributions. School Committee Chair Liza O'Reilly and Superintendent Dorothy Galo assisted in responding to AdCom members' questions.

Kutsch then presented the Subcommittee's two recommendations:

- A School budget of \$49,713,724, which represents a \$2.1 million increase over FY 17 or 4.4%. This will require a further reduction of \$269,653 from the budget the School Committee approved in late February.
- A Town-wide discussion focused on budget sustainability and allocation of revenue for all Town budgeting units. Historical trends show annual operating budget increases of over 4% with revenues not keeping pace and long term forecasts reflecting 2% growth. ACES feels it would benefit the Town to have a multi-year financial management plan/vision.

AdCom members made the following observations during the discussion:

- The Town should address a multi-year approach to budgeting in a realistic fashion. Citizen input would help determine which services Hingham residents want, and how much they are willing to pay for those services.
- With Town revenue increasing 2.5% per year, a 4.4% increase in School expenses will lead to bigger deficits.
- With personnel costs representing 80% of its budget, the School budget increases 4% just to meet contractual obligations. Staying with a 2% School budget increase would translate to ongoing reductions in force.
- Hingham's per pupil expenditure is relatively low compared with its peer communities, while the schools' performance is high. The Town is getting a significant bang for its School bucks.
- The Town-wide discussion should address revenue sources and allocations, employee benefit issues such as OPEB and health care costs, along with the Capital budget.
- Decision makers should develop a five-year financial management plan after taking an analytical, big picture look at the Town's budget and budget process.
- The Town cannot plan without knowing how it will pay for things. It may need to make some hard decisions on whether to cut expenses or raise revenue in future years.

Warrant Article votes

Article EE – Feasibility Study of Foster Elementary School

Kutsch summarized this Article, which would authorize the borrowing of \$750,000 for the Foster School feasibility study, contingent on the Massachusetts School Building Authority (“MSBA”) accepting the Town’s Statement of Interest. Members suggested several refinements to the Comment and Recommended Motion. Town Accountant Nickerson noted that the Recommended Motion should also include new wording used this year on bond premiums. AdCom members approved the revised Article EE by a vote of 13-0-0.

Article FF – School Building Committee

Kutsch noted that this Article would authorize the School Building Committee for Foster School to begin its work now. While the \$750,000 feasibility funding proposed in Article EE is contingent on MSBA acceptance, the Building Committee could use funds approved in the Capital Outlay budget for preliminary work. After inserting “from an approved appropriation” at the end of the Recommended Motion, AdCom members approved revised Article FF by a vote of 13-0-0.

Warrant hearing and votes

Article Z – Expenditure of Proceeds of Subdivision Bonds

As summarized by Smallwood, this Article would permit the Town to expend up to \$100,000 of a security to address an incomplete subdivision when a developer defaults, provided that the Board of Selectmen approves the expenditure. This action would allow for more timely completion of subdivisions than the current requirement to seek Town Meeting approval before expending any security. AdCom members approved Article Z by a vote of 13-0-0.

Article X – Library Grant

Hancock noted that this Article supports the Library Trustees’ effort to secure a grant from the Massachusetts Board of Library Commissioners (“MBLC”) to address the Library’s physical needs for 20 years. No Town funds are required to apply for this grant. If Hingham’s application were successful, the Town would then secure Town Meeting approval of the local funding share for the Library project. If a community chooses not to approve local funding, the State grant monies go to the next library on the waitlist.

Current Library limitations include insufficient meeting rooms, parking, study areas, and reading space. Perhaps more importantly, the functionality of the current children’s area, located in the former Town Hall wing, is constrained by space while its layout poses safety and security concerns.

As outlined by Library Director Linda Harper and Library Board of Trustees Chair David Mehegan, the Trustees used \$85,000 in endowment funds for architectural services. This work will yield a design responsive to the Library’s needs/uses for the grant application, plus two less comprehensive alternatives, which would not qualify for grant funding.

During the discussion, AdCom members noted that this is an expensive project coming at a time when Hingham is considering a number of capital projects. The Town will likely need to prioritize the competing needs.

AdCom members approved Article X by a vote of 13-0-0.

Article AAA – Amend Zoning By-law re: Lot Width

Community Planning Director Mary Savage-Dunham, Senior Planner Emily Wentworth, and Zoning Board of Appeals Vice Chairman Robyn Maguire assisted in responding to AdCom members' questions on the four Zoning By-law Warrant Articles.

Baltera summarized Article AAA's purpose as providing more consistency in the shape of new lots. Its provisions include:

- Setting a minimum lot width of 80% of the required frontage between the street and the principal structure;
- Laying out lots such that a square, the sides of which must equal 80% of the required frontage, can be placed within the lot lines with at least one point on the front lot line;
- Deleting the current "lot shape factor" formula.

AdCom members approved Article AAA by a vote of 13-0-0.

Article BBB – Amend Zoning By-law re: Regulation of the Sale and Consumption of Marijuana Not Medically Prescribed

Baltera noted that this Article would create a moratorium on the establishment of recreational marijuana establishments through June 30, 2018. This action would give Hingham time after the Cannabis Control Commission sets State regulations to develop its Zoning By-law provisions. AdCom members approved Article BBB by a vote of 13-0-0.

Article CCC – Amend Zoning By-law re: Parking Design Standards

According to Smallwood, this Article addresses parking design standards for landscaping, shared parking, and landbanked parking. Its purpose is to set clear standards for both applicants and Planning Board members on project design, submittal requirements, and review parameters. AdCom members approved Article CCC by a vote of 13-0-0.

Article DDD – Amend Zoning By-law re: Lot Area and Lot Line Definitions

Baltera reported that this Article defines "lot area," and "lot lines," and replaces the existing diagrams of yards to match the new lot line definitions. Building on other lot area regulations, the goal of this amendment is to promote more uniformity in the shape of new lots. AdCom members approved Article DDD by a vote of 13-0-0.

Budget preparation discussion

Taylor reviewed the agendas for both the Selectmen and AdCom March 9, 2017 meetings, when both groups will vote the FY18 budget.

The Five Year Forecast dated March 7, 2017 shows a \$753,741 shortfall after factoring in the Capital Outlay budget, which came in under projections, and the School budget as endorsed by the School Committee on February 27, 2018. The School budget recommended by AdCom's Education Subcommittee will further reduce the projected increase in School expenses by \$269,653, putting the current Budget deficit at \$484,088.

To close the gap, AdCom could consider several revenue sources. The Town anticipates receiving \$837,000 in one-time building permit fees from new developments in FY 17. Once built, these new projects will begin generating tax revenue in the next few fiscal years. Permit fees from Linden Ponds and Avalon II have already been collected, with the fee from A. W. Perry anticipated by June 30, 2017. The Town deposits these fees to Fund Balance.

AdCom's Fiscal Policy sets a goal for Unassigned Fund Balance of 16 – 20% of Total Annual

Expenditures. Because the goal is a ratio, the percentage would decline naturally as Town expenses increase year over year, even if the amount of money in Unassigned Fund Balance remains the same. Warrant Articles for this year's Town Meeting proposing expenditures from Fund Balance include the Town Hall Study (\$50,000) and the Bathing Beach multipurpose building (\$350,000). When departments turn back unused budgeted funds, these monies are also added to Fund Balance. Over the past 6 fiscal years, these turn backs have ranged from \$1.3 million to \$1.9 million each year.

Turning to the municipal departments' additional requests, Taylor observed that some seem to him more like level services. He listed the Benefits Specialist, DPW permit mandate, snow/ice funding, the former Hingham Municipal Light Plant building utility expense, the Police taser expense, and the Elder Services accreditation expense as meeting that criterion. Approving these expenses would add another \$195,000 to the budget deficit.

AdCom members could choose to apply building permit fees to address the budget shortfall. Alternatively, they could recommend a reduction in the Capital budget or cut departmental budgets.

Taylor observed that while there has been some concern about structural imbalance, the Town has balanced its budget every year, Fund Balance has grown, and the budget includes unused levy capacity. The Town budgets \$1 million in tax relief for its citizens through meals tax revenue and the unused levy capacity.

Liaison Updates

AdCom Liaisons provided the following updates:

- Warrant Article completion – Hancock requested that AdCom members send final versions of Comments to her as soon as possible.
- Article P Disposal of Surplus Supplies (Taylor) – The Selectmen have revoted the Article language to match AdCom's Recommended Motion.
- Article W Change in Number of Selectmen (Baltera) – Proponents are likely to advance a positive Motion at Town Meeting. He asked that AdCom members review the final Comment text.

Matters not anticipated within 48 hours: None

Adjournment

The Committee voted unanimously to adjourn at 10:55 p.m.

Respectfully submitted,

Donna M. Smallwood
Secretary

Documents:

Agenda - AdCom Meeting 3/7/2017

Draft Minutes - AdCom Meeting 2/28/2017

Article F – Budgets

Article P – Disposal of Surplus Supplies 3/7/17

Article W – Change in Number of Selectmen 3/7/17

Article X – Library Grant

Article Z – Expenditure of Proceeds of Subdivision Bonds

Article EE – Feasibility Study of Foster Elementary School

Article FF – School Building Committee

AdCom approved 4/11/2017

Article AAA – Amend Zoning By-law re: Lot Width
Article BBB – Amend Zoning By-law re: Regulation of the Sale and Consumption of Marijuana Not
 Medically Prescribed
Article CCC – Amend Zoning By-law re: Parking Design Standards
Article DDD – Amend Zoning By-law re: Lot Area and Lot Line Definitions
Zoning By-law Section V-A 5 – Redlined with changes proposed in Article CCC
Five Year Forecast v1.5 dated 3/7/17
Warrant Article Status Summary 3/5/2017 10:00 pm LH