

BOS Approved 3.17.14
FC Approved 3.4.14

Joint Hamilton / Wenham
Board of Selectmen and Finance & Advisory Committee
Wednesday, February 12, 2014
Library, 14 Union Street, S. Hamilton

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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, February 12, 2014 at 6 pm in the Conference Room.

1. Call Meeting to Order

The meeting was called to order at 6:09 PM.

Wenham

With quorums present the Wenham FAC and BOS meetings were called to order.

Finance Committee present: Michael Lucy, Chair; Hilliard Ebling, Kevin Lech, Kathryn Mansfield (6:15 PM); Jeff Fotta; Rick Quinn

Selectmen present: Ken Whitaker, Chair; Patrick Wilson. Not present: Jack Wilhelm

Also present: Mark Andrews, Town Administrator; David Genereux, Finance Director; Catherine Tinsley, Minutes Secretary

Hamilton

Hamilton Selectmen present: Marc Johnson, Chair; Jeff Hubbard; Scott Maddern; David Neill; Jennifer Scuteri

Also Present: Finance Committee Chairman John McWane; Finance Director Deborah Nippes- Mena;

Town Manager Michael Lombardo

Abbreviations used:

FinCom Finance & Advisory Committee
BOS Board of Selectmen
HW Hamilton Wenham
HWRSD Hamilton Wenham Regional School District
SC School Committee
FY Fiscal Year
COLA Cost Of Living Adjustment

Public information

Agenda
Joint Recreation Department Draft FY 15 Budget
HW Library Draft FY 15 Budget
HWRSD Draft FY 15 Budget

This meeting was recorded with permission by HWCAM.

The purpose of this meeting was for the Hamilton Wenham joint programs and the HWRSD, to present their preliminary FY 15 budgets to the Towns. Directors of these departments were present to review their budgets and answer questions.

There were no deliberations or votes taken at this meeting.

2. Joint Recreation Department

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Director Sean Timmons was present and highlighted the Joint Recreation FY 15 budget of \$134,685.39. There is an 8.35% reduction in the total expenditures of 8.35 % (\$4,899.14).

The details of the Revolving Fund were reviewed. Because there is no pool program in the FY 15 budget, adjustments were made in both 2014 Actual/ 2015 Budgeted Revenue/Expenses.

The balance of the Undesignated Reserve Fund is \$224,456.27.

According to the assessment allocation to the Towns, Hamilton is responsible for \$88,353.62 (65.60 %) of the budget and Wenham for \$46, 331.78 (34.40%) of the budget. Hamilton is the lead town and receives an administration fee of 10% (\$4,633.18) from Wenham.

Mr. Timmons mentioned that Asbury Grove has offered their pool for summer programs and the swim team while the pool in Patton Park remains closed.

3. Joint Library

Library Director Jan Dempsey was present to talk about the Library's FY 15 budget of \$849,040,000. She explained the increase in the Library budget of 10.33 % (\$79,465) is primarily to bring the salaries and wages to market value as discussed previously by the Towns over the past year. This included the "bridge" increase (\$29,575) that was approved in December 2013. The FY 15 budget implements the first 4% step increase (\$48,000) of the step system as used by the Town of Hamilton, and a 2% (\$12,000) COLA for all staff.

Hamilton requested a full cost formatted detailed budget be presented in future.

A lengthy discussion regarding the timing of the salary increases ensued. An independent consultant has been hired to provide the Towns with a recommendation for appropriate salaries for Library staff compared to other local communities. Mr. McWane proposed that the implementation of the step system salary adjustments be put on hold until the independent wage assessment is completed and voted at the fall Town Meeting, making it retroactive from July 1, 2014. Mr. Lucy asked what the impact of that action would be. The Library representatives noted that the amount in question was \$ 48,000.

Mr. Andrews said that although he is not against withholding the step system, he does not want to lose the trust that was gained during these discussions noting a significant analysis has already been done and there is enough accurate information to move forward at this time with the Step System. Mr. Lombardo added that it is important to have all information before the Towns could understand how the increase would be implemented and it is not the intention to withhold funds.

Ms. Mansfield, liaison to the Library, took the position that the 4% step increase and the COLA was promised during discussions with the Library to bridge the large gap between the current salaries and market value. She strongly supported the step increase of 4% be included in the FY 15 budget and indicated that that was her understanding of the agreement of the members of the ad hoc group that had reviewed the matter.

It was noted that if the study is done before the Annual Town Meeting, adjustments to the Library budget could be made on the floor of the Town Meeting. Mr. Lucy summed up the discussion by noting that the go forward planning is the Library's budget, as submitted, coupled with a prompt update/report on the salary survey before Town meetings if at all possible such that any other adjustments, up or down, can be factored in.

In response to a question, Ms. Dempsey explained that MGL Ch 78 Sec 19b mandates that 16 % of the total operating budget goes towards actual materials for public use. There are no Capital expenditures in this budget.

4. HWRSD

School Committee Chair Roger Kuebel and School Superintendent Michael Harvey were present.

The Superintendent's recommended total HWRSD budget for FY 2015 net to the two towns totals \$23,830,521. The increase in Net Spending over FY 14 is \$1,357,276 (4.8%)

Additional funding recommendations included:

- Full Day Kindergarten
- High School 1 to 1 iPads implementation

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- Classroom Technology upgrades
- Facility & Maintenance Project
- New Maintenance Staff & Equipment

The following areas are being reviewed for cost savings: School Choice, Curriculum & Instruction, Special Education, Administrative Support, and HealthCare.

The Excess & Deficiency balance currently exceeds the targeted 3% of the budget. Discussion to return the excess amount of \$1.5m to the Towns is on the next School Committee meeting agenda.

Hamilton noted that the give back of \$1.5 m is not easy to absorb. It was suggested by Hamilton that \$1.2m be returned in FY 14 (before June 30) to the town's Free Cash to be certified and used to reduce the tax rate, and the remainder be applied to the FY 15 assessments to the towns. The Town's are also concerned that there would be a substantial increase in the FY 16 budget if all the money were used this year to reduce the tax rate.

The HWRSD must have their preventive maintenance certified for the capital projects approved for Massachusetts School Board Authority State assistance. The Towns were asked to have the Virtual Maintenance (Collins Center Study,etc.) in place as soon as possible.

Ms. Scuteri commented that this is the most transparent budget. She observed the town has one of the highest costs "per pupil". She asked that this continually be addressed and be included in a four year plan.

Mr. Kuebel added that the long-term objective is to deliver the best education at a reasonable cost.

Mr. McWane and Mr. Lucy suggested that discussions take place on a more generic future policy to to govern the E&D refund process in future.

5. Adjournment

It was unanimous to adjourn the meeting at 8:20 PM.

Respectfully submitted by

Catherine Tinsley

2.18.14

Afest: *McWane* 6/18/14

