

**HAMILTON FINANCE AND ADVISORY COMMITTEE
WENHAM FINANCE AND ADVISORY COMMITTEE
Minutes of Joint Meeting
December 6, 2016**

Members Present: Hamilton Members: David Wanger (Chair), John Pruellage, Phil Stearns, and Nick Tensen
Wenham Members: Michael Lucy (Chair), Alexander Begin, Ned Flynn, Richard Quinn, and Mike Therrien.

This Hamilton Finance and Advisory Committee meeting was called to order at 7:01 pm at the COA building 299 Bay Road.

The Wenham Finance and Advisory Committee meeting was called to order at 7:01 pm.at the COA building, 299 Bay Road.

David Wanger thanked the Committee for joining Hamilton in a joint discussion.

Public Comments

None

Discussion of Potential Regional Shared Services/Joint Programs

Michael Lucy distributed a handout about current shared services and potential areas. . The handout listed seven areas where joint participation or shared costs existed. The school system had the largest costs, with a 51% percentage (and rising) of the total budget. Other shared costs included Essex Technical School, Joint Library, Recreation, energy management, and obligations to Hamilton for the Emergency Center retirement fund. 55% of Wenham’s expenditures were joint expenses with Hamilton. The yellow highlighted lines showed potential interest to finding cost savings to include fire, which was considered to be geographically critical for response times and emergency dispatch.

David Wanger noted that both Fire Chiefs would be retiring a couple of months apart in a couple of years, and thought it might make sense to talk about administration initially. If there were a merger of the fire departments, the emergency dispatch would accompany the merger. The regional dispatch did not have the number of participants anticipated, which put a burden on the operation with an implication being that costs would go up. Phil Stearns recalled there was a five year deal with the fifth year coming up. Rates would be reset at the end of five years. Michael Lucy said Wenham will always look at opportunities to improve services and lower costs.

Staffing fire departments with volunteers was becoming more and more difficult. Wenham had

one full time Chief, one Fire Safety Officer, and one Fireman while Hamilton had one full time Chief, one Lieutenant, and two Firemen. Both towns have a call firefire fighter system. When David Wanger had spoken to firefighters, they were supportive of a possible merger as they were already providing backup services to each other, but thought it might become complicated when it was regionalized. Both towns were outsourcing ambulance services. There were not many fires in either Town, but the fire departments traditionally went out with ambulances.

From a personnel standpoint, there appeared to be savings by having one Fire Chief for both Towns but another person would be added at a lesser level so there would only be a gain of less than half of a person. There was a possibility to combine an ambulance to save money. In the event of an accident, an ambulance call would go out, but the Fire Department would be the first one on the scene at a cost of \$3,000 to \$4,000 per call. The Towns were unable to bill for the transport because of the arrangement with the ambulance vendor. According to David Wanger, it would be possible to have a Town ambulance service, but the Town Manager did not feel an ambulance would be a profitable enterprise. It was noted that even if the ambulance was not profitable, per se, at least the Towns would be able to bill for one which would offset other associated costs.

Multiple past studies had considered emergency service and discovered that the increased volume of the combined two Towns would necessitate the switch to full time personnel. A call Fire Department was more cost efficient, so a joint full time department would be more expensive. Moving from a variable cost model to a fixed cost model would save money by stopping the variable costs. It was suggested that to lower the number of false alarm calls, fees to penalize people could be implemented, with the first false alarm being free, the second \$100, and subsequent calls \$500. Currently the rough estimate for the cost for a false alarm call to the Town of Wenham was about \$3,800.

It was noted that with the Chiefs both retiring at the same time hiring one between the two Towns should be examined.. There would be issues that would go with the governance of the administration. Phil Stevens had reportedly said he thought it was do-able, according to David Wanger. Mr. Wanger continued that there could be one Fire Chief and two Deputy Chiefs per town as a way to take a step toward combining on a more substantive basis. There could be a large savings for equipment. The process to merge could include having one Fire Chief, then combine call workers into one. Like the schools, it could become a regional identity with its own life -- presenting some important questions re governance, management, etc. . There are no regional fire departments in the Commonwealth.

Hamilton Town Hall had strongly opposed the virtual DPW which shared personnel and equipment. Outside of the Regional School District, the DPW, Fire and Police Departments are the largest expenditures in each town. David Wanger said the FinCom had the chance to make a recommendation without having to implement it so the Committee would be sowing seeds of receptivity of alternative plans. Nick Tensen added that the DPW would be political and harder to implement. The population of the two towns was about 13,000 together. Other towns with similar populations and area could be compared to see what might stand out as a difference.

Inspectional services were being shared with Danvers. Inspectional services were considered a variable cost basis so the Towns may not be able to save on services. IT was worth researching but the schools had gone their own way. Higher level expertise was involved.

HWRSD FY 18 Budget Development: The schools were discussed and the ability to maintain level funding. If an override was proposed, the FinCom would recommend voting no. A retrospective of the assessment of a done deal was discussed with the suggestion that if the FinComs had a more participatory role in the formation of the budget, it might be more helpful in

terms of consensus. Michael Harvey reportedly said the School Committee would make the budget public but not participatory in its formation. David Wanger wanted greater traction with a nuclear approach by scheduling another joint FinCom meeting with Jeff Sands. Mr. Wanger did not see why the Committees needed to wait until January for another tripartite session. It was recalled that the Schools said they wouldn't even list what they would cut if they had to.

Phil Stearns suggested that one person from each FinCom meet with Jeff Sands. David Wanger said the School Committee would not allow that meeting as it had happened in the past. Mr. Wanger said he had asked and Mr. Sands had to get approval. The School Committee Chair said they could not meet yet and wanted someone from the School Committee to be present. Mr. Wanger agreed to meet under those circumstances but the School Committee Chair never responded.

At the previous School Committee meeting on November 17, 2016, it was announced that Hamilton and Wenham would make presentations and then adjourn the meeting with no presentation by the School. The School Committee had set up two negatives by not meeting with FinCom Chairs and having a skewed agenda for the joint meeting. Not allowing a meeting with Jeff Sands would be three negatives. The Schools had a right to create their own budget and present it to the Towns. There were ten years of overrides with a couple of million dollars unallocated in case they needed it. David Wanger wanted to consider a joint meeting with Jeff Sands and whomever he wanted to bring to the meeting, before the next school meeting on January 26, 2017. The budget would be presented to the FinCom on December 15, 2016. The Fincom had a right to ask to understand the budget.

Trash collection and other Town expense increases -- and potentially the School budget depending on where it comes out -- could cause an override situation in Wenham. Mr. Wanger wanted two meetings, in late December or early January before January 6, 2017. The School would examine the budget between December 15, 2016 and January 26, 2017 segment by segment. Members of the Wenham FinCom suggested that the School present two budgets, one that would cause an override and one that didn't. Under the law, the Regional School Committee could develop their own budget approved by elected officials between December 15, 2016 and January 6, 2017 and then debate the proposed budget until February when it would be adopted, according to Michael Lucy.

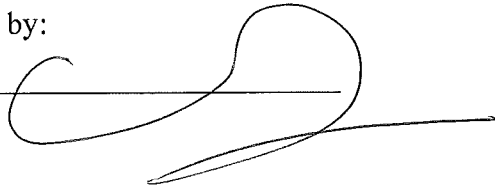
While both FinComs realized that the only power the Town had was via Town Meeting, they could work in incremental ways and if they didn't succeed this year, there is an HWRSD liability of \$25M for OPEB funding that the Towns would need to fund. The Committees agreed that this item needed further investigation. On January 26, 2017, there would be another tripartite meeting and on February 2, 2017, the School budget approval date, would be another opportunity to delve into the budget.

The Boards decided to schedule another session between the two FinComs after December 15, 2016. The next joint meeting was planned for December 20, 2016 (subsequently rescheduled to January 11, 2017).

John Pruellage made motion to adjourn the Hamilton Finance Committee meeting
Nick Tensen seconded
Vote Unanimous to adjourn at 8:48pm

Michael Lucy made motion to adjourn the Wenham Finance Committee meeting
Seconded
Vote: Unanimous to adjourn at 8:48 pm

Prepared by:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and somewhat abstract, with a large loop at the top and a long horizontal stroke at the bottom.

2/17/17

Marcie

Ricker

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Attest

Date