

Meeting Minutes of the Special Meeting of Hanover Board of Selectmen held via Zoom conference call on Friday, June 5th, 2020 @ 8:00 AM

Present via conference call: Chairman John Tuzik, Vice Chairman Emmanuel Dockter, Selectman David Delaney, Selectwoman Jocelyn Keegan and Selectman John Barry. Also present Town Manager (TM) Joe Colangelo, Assistant Town Manager (ATM) Ann Lee and via conference call Superintendent of Schools Matt Ferron, School Business Manager Dr. Tom Raab, Executive Assistant Janet Tierney, and Finance Director (FD) Lincoln Heineman.

At 8:00 a.m. the Chair opened the meeting and shared that June 5th is Joan Tuzik's birthday. He wished his mother a very Happy Birthday.

The Chair asked for any public commentary, and informed those watching that they may share their comments or questions by hitting star 9 or raising their virtual hand.

Seeing none the Board moved on to a discussion of the adoption of a 1/12th budget. FD provided the Board with a quick rundown of the proposed 1/12th budget noting that nothing had changed since the Board's last meeting on Tuesday, June 2nd.

FD informed the Board that Plymouth County Retirement had decided to not offer a discount if the amount due was not paid in full in July, therefore in order to receive those significant savings the Town would need to make payment in full in July.

The Chair clarified that this 1/12th budget is a backup measure strictly to be used in the event that we could not hold Town Meeting in June.

The Board voted to approve the 1/12th budget as provided. FD informed the Board that he would need Selectwoman Keegan acting as Clerk to sign that the Board approved this budget in order to submit it to the State. Selectwoman Keegan confirmed that she will be coming in to Town Hall to sign.

The Board moved on to discuss the Temporary Outdoor Policy provided by ATM Ann Lee and her team. TM informed the Board that Kim Dixon has emailed all restaurant owners in Town and informed them that this would likely be adopted today. TM assured the Board that once this is approved it will be up on the website and advertised, and the Town will work to turn application around as quickly as possible. The Board asked for questions or comments. Seeing none the Board voted to adopt the Temporary Outside Dining Policy.

The Board moved on to discuss the FY2021 Operating Budget. TM informed the Board that in some ways the fog has lifted. Nothing official has come out but the consensus among Town Managers and Superintendents is that a 10% to 15% reduction in State aid estimate is prudent. He went on to say that a 10% reduction is roughly one million dollars to the budget. This is a little more impactful on a proportionate basis to the School side of things because of Chapter 70 money.

Approved
6/15/2020

TM informed the Board that the April budget that's in the warrant will no longer work without services being reduced or revenues being enhanced to make up the difference because the projections in State aid are dipping drastically. There will be a \$225,000.00 gap on the town side. TM had sent out an email in late May to the Board and Advisory Committee listing out what we would be looking at if there were to be a reduction in services and everything listed in there would be on the table except with regards to the SRO program. TM shared that it wouldn't make any sense to take a vote on the 29th and reduce services a day later, it would take a little time to implement, so the service reductions in terms of reduced hours and not having community events, which we may not be able to have anyway, and reducing staffing positions would happen around in January 1st. TM pointed out the Superintendent and Business Manager are on the call. Their presentation is available online which discusses what this would look like on the School side of things under this scenario.

The Chair confirmed that the Board's options would be to institute the cuts or come up with some other option to meet the gap. The Chair shared his opinion that the Board should take steps to close the gap. TM informed the Board of the status of the real estate tax as included in the April budget.

Selectman Barry expressed that the Board should stay out the dialogue and let the Town Manager and Advisory Committee decide how they would like to address the gap and then let the townspeople can vote and make those decisions on Town Meeting floor.

Vice Chair Dockter shared that he started out in the beginning of the budgeting process with three main goals: to avoid any long term staff layoffs for budgetary reasons; avoiding any reduction in free cash or reserves in order to prepare for FY22, and the reasoning for that was to avoid layoffs in FY22; and also to provide financial relief to residents, many of whom are laid off or have reduced hours or reduced compensation. The Vice Chair thinks TM did a great job with the April budget, and he supports that budget. He noted that we were all surprised with the news of the potential 10% reduction in State aid at the last meeting, and feels he needs to put more thought into how to make adjustments. The Vice Chair is hopeful that the Board can move forward over the next week or two with an approach that includes those goals, probably not completely these goals, not likely going to be a zero percent tax increase, it's not likely to be zero free cash usage and he is fine with that, but would like to come together on those three options and still find a way to avoid long term staffing layoffs. The Vice Chair does not believe the Board has enough information to vote on anything this morning but is hoping to have a much more substantive discussion on this at the Board's next meeting on June 15th and at that time offer TM some direction. He reiterated that if there are any unknowns in the budget it should in his opinion be shifted to the next calendar year, so starting in January of 2021. The reason being, he would prefer to get through this calendar year, and have a special town meeting in November or December and make adjustment to the budget at that time. He feels that come November, we will know a lot more and he agrees with the Chairman's statement that he does not like to make long term decisions in a fog.

Selectwoman Keegan expressed that she would like to see dollar figures for the items on TM's list, and would like a better understanding of the timing aspect, and what we think about what the Advisory Committee has to say.

TM offered to provide bullets of reductions for the Board by the 15th.

Selectwoman Keegan asked if more could be cut on the Town side so the school does not have to cut as much on their side.

TM stated that we wouldn't be able to make changes that would help them in any impactful way.

The Chair informed the Board that the Chairman of the Advisory Committee had reached out and requested that the Board give TM clear direction on how he wants to close the roughly one million dollar gap. The Chair agreed the Board should let TM deal with the specifics of that, but the Board should offer general guidance. The Chair questioned whether the Board would like him to explore what the world looks like with the proposed cuts, or as the elected officials of Hanover do we want to entertain bridging that gap with the tools the Board has in their toolbox, of which there are a couple. Some probably would be easier to do than others.

The Chair further for clarification sake mentioned that he thought he heard Selectman Barry say that the Board should let Advisory Committee deal with the budget and the Chair does not completely agree with that. He stated that this is the Board of Selectmen's budget, they serve in an advisory role, and as the leaders of this Community it is up to the Board to give direction and make some decisions as to what we think the folks at home would want.

He closed his remarks by saying it's very easy to discuss cuts but a lot harder to implement them and he isn't sure the residents are going to like what that looks like. The Chair would like to give residents the opportunity to make the decision themselves as to whether they would be willing to make the additional sacrifice and absorb a tax increase in order to bridge that gap or would they rather see diminished services.

The Vice Chair stated that he appreciates the desire of the Advisory Committee to get a decision from the Board, however the reality of the process is that the Board gives direction to TM, TM with the Department Heads creates the budget, and then the Advisory Committee evaluates the budget in order to make recommendations to Town Meeting.

The Vice Chair does not believe that the Board has enough information to offer direction at this meeting or to give feedback on the budget as a whole. His specific feedback for the Town side is that the \$225,000.00 to \$250,000.00 should be shifted to the next calendar year and we should be able to make that up in a special town meeting. He does not support taking those adjustments in this calendar year before we have an opportunity for a Special Town Meeting. He explicitly wants to have a Special Town Meeting to address those potential adjustments if we get other funding from other sources. The Vice Chair does not feel comfortable stepping into the School budget and does not feel it is the Board's role to be giving feedback on the School budget and he wants to avoid overstepping.

Selectwoman Keegan asked if the amended budget would replace the budget in the Warrant or be offered side by side with the April budget at Town Meeting as an additional option.

At the Chair's invitation, Advisory Committee Chair, Ted Hickey, joined the conversation via teleconference and offered clarification on what the Advisory Committee is looking for in terms of direction from the Board to TM. Mr. Hickey informed the Board that they would be looking to see if the Board gives TM specific direction on making the \$225,000.000 in additional cuts required due to the reduction in the expectation of State funding or if the Board will leave it to TM's discretion to make the cuts.

The Chair invited Dr. Tom Raab and Superintendent Matt Ferron to join the discussion via teleconference to field some questions from the Board relating to the School side of things.

The Superintendent said the most important thing for them is feedback in a timely fashion. He provided the Board an overview of the process and constraints on the school side of the budget process. He requested patience from those who are requesting lists of reductions as they still do not know yet what next year will look like in terms of the structure of public schools. They are currently trying to reinvent school. The Superintendent stated that the School Committee stands ready to assist the Board with anything they need.

The Vice Chair provided feedback for the school mentioning that cuts on the school side could mean the actual cutting of jobs and a lot of those employees could be residents here in town, therefore one of the Board's primary goals of providing relief to the residents in town could be undercut with staffing cuts. The Vice Chair expressed an openness to use more free cash or finding additional forms of revenue in order to avoid staff cuts. The Vice Chair stated that he is hoping to have a better, more informed, discussion on June 15th.

The Chair advocated looking at increasing the levy limit to bridge the gap and provide the residents the option to decide if they are willing to make the sacrifice and absorb the tax or see a reduction in services.

Selectwoman Keegan requested an answer to her earlier budget question.

TM informed the board that the budget in warrant is the budget and technically it can't be replaced. TM stated that one of his goals was to produce a budget whereby the School, Town, elected officials and Advisory Committee could all show up on June 29th and feel that they can support the same thing. Further stating that the least we can do as a Town is to give a little bit as a team. He stated that it is called the Town Manager's budget but it is really everyone's.

Selectman Barry stated that as part of taking a leadership role, we should be making it a standard that next year we are going to hold onto as many people as we can, we don't want to lay anyone off in these tough economic times, but we should be asking employees to make next year what they are making this year. He stated that this ask should be part of this process and is the responsible thing to do. He further shared that he thinks people can appreciate where we are economically, and it would be a tough discussion on Town Meeting floor if we asked residents for tax increases without first seriously asking employees to not take pay increases.

Superintendent Ferron stated that the administrative staff and nonunion personnel on the School side have already agreed to not take pay increases and the School Committee has already reached out to all four bargaining units and all have accepted to enter into the bargaining process.

Selectman Barry thanked the Superintendent for his leadership and all those on the administrative side for taking zero pay increases.

The Advisory Committee Chair commented that the Board will need to find the best way to get through this by compromising on each of the three goals the Board discussed.

Selectwoman Keegan offered that she feels the Board should be looking at options such as identifying people who are on that bubble of looking to retire or to take early retirement and

reduce numbers that way. Further stating that whatever we do now to lower the base will limit the cuts we need to make in FY 2022. She shared that she feels it is important to be as aggressive as possible now and then in January have the opportunity to let off the gas and allow us to recover and maybe not make the more drastic cuts if allowed to, noting, it is hard to unspend money once it is spent.

The Chair asked for any questions from the Board. Seeing none, he asked TM if he had enough to get where he is trying to go.

TM stated that for the very narrow question of the \$225,000.00 TM did not hear an objection to the Vice Chair's proposal of that being effective after calendar year is over and he personally agrees that it is a prudent way to handle that.

On the more global question of what to do with gap left with a reduction in state aid, more discussion will be required, and maybe the Board can discuss it on the 15th or whenever we meet next.

The Chair asked FD what the average cost to a Hanover Tax Payer would be if taxed to the limit on the levy. FD stated on top of the April budget it would be an additional \$161. TM noted that if taxed at the levy limit we would still be below the 10 to 12 year tax increase average on an average house.

The Vice Chair asked what percentage that would be. FD responded 4%.

The Chair stated that essentially it would be \$300 per household which is what we were originally entertaining charging for a dump sticker.

TM Stated that at this point more specific information will be more helpful than discussing philosophy.

The Board agreed to meet on June 15th, June 22nd and then Town Meeting on the 29th.

The meeting adjourned at 9:02 a.m.