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***Hanson Board of Selectmen
Friday, May 22, 2020
2:00 p.m.
Virtual Meeting***

I CALL TO ORDER

At 2:00 p.m., Chairman FitzGerald-Kemmett called the meeting to order and led the Pledge of Allegiance. She asked for a moment of silence to honor those affected by the pandemic and on the front lines, and also a Memorial Day remembrance of those who lost their lives serving our community.

II NEW BUSINESS

Vote to place an override question, including a fixed amount, on the June 27, 2020 Town Election ballot

Chairman FitzGerald-Kemmett reviewed events concerning the override article that was recently approved for appearance on the June 27 ballot, and stated that today's meeting is exclusively to discuss and vote on the specific override amount.

Town Counsel, Kate Feodoroff, confirmed that the purpose today is to determine the override amount, clarifying that after the Board voted to have a question on the ballot, they have to provide to the Clerk at least a thirty-five day notice of the wording of the question, to include its purpose and the amount.

Ms. Feodoroff detailed that an override increases the capacity amount that is allowed to be raised. She continued that Proposition 2 ½ placed a cap on what can be added to a levy—limiting the amount that can be taxed—so that the taxes for a given year can be increased by no more than 2 ½ percent the following year. She said that if more money than that is needed, it requires Town Meeting approval.

Ms. Feodoroff explained that the ballot portion of an override process changes the capacity amount, or what is allowed to be raised. She continued that the Town Meeting portion decides what is going to be appropriated—what money is taken from an available source, its use and how it will be expended. Ms. Feodoroff noted that as the election will occur before Town Meeting, its outcome can provide more flexibility in framing the Town Meeting warrant article.

Ms. Feodoroff stated that the ballot question must include the purpose, which can be broad or specific. She explained that the ballot permanently increases the capacity and if a specific purpose is stated on the ballot question, it limits the Town to the outlined provision the first year. For the following year, she said, with the capacity still there, the purpose will be unrestricted.

In response to Mr. Mitchell, Ms. Feodoroff stated that if the ballot question fails, the Town is limited to what taxation it can raise, or the 2 ½ percent, and must work within that budget. In this current scenario, she continued, Town Meeting would have to vote whether to approve the requested school amount, disapprove it or approve a different amount. Other than an approval, Ms. Feodoroff further described that the school committee would then decide how to proceed and could optionally accept the Town's lower offer, if made, or respond back with yet another offer, all of which would be subject to Town Meeting approval. Ms. Feodoroff noted that eventual circumstances could result in the Town being forced to accept the school committee's amount.

Town Administrator John Stanbrook referenced the override calculator, intended for post on the website and distributed to Board members, to enable residents to see how the figure approved upon today would impact their 2020 tax bill.

Mr. Stanbrook then asked Ms. Fedoroff to approve the ballot question wording, to be inserted with an amount approved tonight, as follows: "Question 1: Shall the Town of Hanson be allowed to assess an additional \$ [insert amount] in real estate and personal property taxes for the purposes of paying the Towns's assessed share of the fiscal year 2020/2021 operating budget of the Whitman Hanson Regional School District for the fiscal year beginning July 1, 2020?" Ms. Fedoroff affirmed that the language correctly states a permissible purpose, and that it clearly states the funds are for the assessment to the Whitman/Hanson school district.

Finance Chairman Kevin Sullivan explained that he met with Town Accountant Todd Hassett and Mr. Stanbrook yesterday and after much discussion and analyzing various scenarios, they settled upon \$800,000 as the override question amount. With this increase, Mr. Sullivan stated that a resident with a \$354,000 home valuation would incur \$199.00 additional to their annual tax bill based upon last year's tax rate.

Mr. Sullivan cited the present \$865,000 school deficit and explained that the \$800,000 amount was selected in consideration of implications for next year. He noted the scenario of both town's passing the one-year deal and next year going to the full statutory calculation. Mr. Sullivan said that the conclusion was that \$800,000 would realistically get the Town through to the next year.

In response to Chairman FitzGerald-Kemmett, Mr. Sullivan explained that there are too many variables involved to truly know where the Town will stand a year from now and if staff cuts might be necessary. He explained that Whitman and Hanson could be in a better negotiating place by that time, but it is too soon to know that. Mr. Sullivan said that without the ability to raise revenue, cuts will be necessary to reduce Town expenses.

Town Accountant Todd Hassett commented, for context, that if the full statutory were to go in to place this year, the cost would be in the range of \$1.4M. He also noted that a town-wide 2 ½ percent levy provides \$525,000 in additional revenue.

Answering to Chairman FitzGerald-Kemmett, Ms. Feodoroff clarified that if the override does not pass, the Town cannot pay its portion and there would either need to be cuts or the Town could go through the process of rejecting the school budget.

Mr. Dyer asked if the \$800,000 incorporates a cushion for projected cuts to local aid from the Commonwealth. Mr. Hassett stated that Hanson is fortunately not as reliant on state-aid as other communities, however, their discussions did consider that by the time of the fall meeting, some revenues will be lagging. He continued that they formulated the opinion to avoid tapping in to reserves and one-time revenue sources that might normally be utilized at this time, in order to maintain some degree of cushion. In so doing, Mr. Sullivan added that they it may be necessary for certain capital improvement expenditures to be placed on hold.

Mr. Dyer questioned why \$800,000 was selected as opposed to the full deficit amount of \$865,000. Mr. Sullivan explained that \$800,000 was a round number and they felt that they could raise the extra \$65,000 by making small cuts across all Town departments as to retain the same level of service without personnel cuts.

In the scenario where the override is approved, Mr. Mitchell asked if the Town would be allowed in the fall to increase the tax rate in the event of a shortfall. Mr. Hassett explained that the levy limit would be set and they are not allowed to increase the tax rate if the limit has already been met. He confirmed that it is possible that another override may be necessary next year.

Mr. Sullivan clarified to Mr. Hickey that the override monies being suggested are a one-year fix to the current situation and that next year's circumstances are unknown at this time.

In response to Mr. Hickey, Ms. Feodoroff stated that approval of an override provides the ability for a Town to add additional money from which to pull from, but the Town is not required to use it. She continued that if the override passes and the deal with Whitman is not acceptable to them, then it is up to Town Meeting to decide if and how to appropriate the override funds.

MOTION by Mr. Dyer, seconded by Mr. Hickey, to place on the ballot the question as follows:

“Question 1: Shall the Town of Hanson be allowed to assess an additional \$800,000 in real estate and personal property taxes for the purposes of paying the Towns’ assessed share of the fiscal year 2020/2021 operating budget of the Whitman Hanson Regional School District for the fiscal year beginning July 1, 2020?”

**Roll call vote Dyer aye, Mitchell aye, Hickey aye, Blauss aye and FitzGerald-Kemmett aye.
Voted 5 - 0**

III. ADJOURNMENT

MOTION at 2:45 p.m. by Mr. Dyer, seconded by Mr. Hickey, to adjourn. ***Roll call vote Dyer aye, Mitchell aye, Hickey aye, Blauss aye and FitzGerald-Kemmett aye. Voted 5 - 0***

Respectfully submitted,

Shirley Schindler
Minutes Clerk