



Town of Wenham

Town Hall
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Selectmen / Town Administrator
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MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Town Administrator
RE: Town Administrator's Report
DATE: October 31, 2016

Grassy Roots Liquor License

The state legislature recently approved the Special Act that Town Meeting supported last year to create the mechanism for a new liquor license for Grassy Roots. As a reminder, this new license allows for the retail sale of beer and wine onsite. The license is site specific but could be transferred to another entity at the same location if the business were to change hands. Grassy Roots will have to go through the same annual review and renewal process as the other entities in town that have liquor licenses.

On a somewhat related note, we continue to working with MassDOT to obtain approval to shift the center line on Main Street for several hundred yards in our downtown corridor to improve vehicle and pedestrian safety in this area. Specifically, we are looking to eliminate parking on the residential side from Arbor Street to Perkins Street and to widen the parking lane on the commercial side of the street along that same stretch. Because this proposed change is located on a state highway, we have to go through a formal application and review process with MassDOT. At this time, we do not anticipate any potential issues with the eventual approval of this lane shift and parking reconfiguration in the next few months. We are still waiting to hear back on the status of MassDOT's analysis of the possibility of signaling any of the intersections along Route 1A in this area.

Certified Free Cash

The Department of Revenue recently certified the Town's Free Cash balance at \$1,371,147 as of June 30, 2016. A historically high number, this figure represents the continued excellent work of our Finance Department through their extensive tax title work and our Department Heads in managing their individual budgets. Our practice of adhering to conservative projections for our local non-property tax revenues has also helped to grow this figure.

As was discussed in some detail at the joint Selectmen and Finance Committee meeting several weeks ago, there are a number of reasons why our current Free Cash total is exceptional. We should not expect to see similar levels in future years based on adjustments

that have since been made to the budget on both the revenue and expense side over the past two years.

The Town has traditionally used some Free Cash to mitigate the tax rate and has assumed that at least \$750,000 will be used to build a balanced budget for FY18. The Town's Financial Policies support maintaining a minimum balance of at least \$250,000 each year. The remainder of Free Cash can be appropriated by Town Meeting to cover one-time costs (Capital Improvement Program, OPEB, stormwater compliance, etc) and/or used to build reserves for future fiscal years.

FY18 Budget

Last week, we received the updated enrollment figures for this school year that are used to calculate the Town's FY18 assessment. While enrollment continues to go down in Hamilton (33 less students this year than last) and up in Wenham (by 3 students), the extent of this shift is very consistent with NESDEC's forecast from last December. We had used their data projections in forecasting what our assessment would be as we began to build the FY18 budget. Accordingly, the minimal difference in enrollment between their forecast and these actuals represents a negligible impact on our prior budget assumptions.

While the enrollment shift from Hamilton to Wenham has not accelerated more dramatically than what was projected last year, the Town is still faced with a significantly unbalanced budget (\$500+k) for next fiscal year. With this data now in hand, the sole remaining unknown in terms of significant drivers for the FY18 operating budget is the School's net operating increase. Our current projections assume a 2.5% increase in that line item, although that figure is only a placeholder at this stage in the budget building process so that we can understand how much of a challenge it will be to balance the operating budget in FY18.

The Town is scheduled to meet with Hamilton and the HWRSD leadership on Thursday November 17 at 6:30PM at the Buker School to discuss the FY18 budget. The Board of Selectmen will also be meeting with the School Committee at 6:00PM that night to interview the one candidate who submitted a letter of interest to fill the current vacancy on the School Committee.