

**TOWN OF HAMILTON
SPECIAL TOWN MEETING
Held**

Monday, October 27, 2008

At

Hamilton-Wenham Regional High School

At the close of registration on October 15, 2008 there were 5,885 registered voters within the town of 8,362 residents.

Precinct 1 – 2,165

Precinct 2 – 1,984

Precinct 3 – 1,736

Moderator declared a quorum present (75) and the Warrant returned showing it had been properly served, opened the Special Town Meeting at 7:30 P.M. with 198 registered voters checked and present, this Special Town Meeting, constituting the regular fall Town Meeting of the Town of Hamilton is now open.

Precinct 1 – 88

Precinct 2 – 60

Precinct 3 – 50

Tellers were appointed by the Moderator and duly sworn.

| | |
|----------------|------------------------|
| Kalil Boghdan | -- 12 School Street |
| Richard Flynn | -- 183 Linden Street |
| Arthur Crosbie | -- 215 Linden Street |
| David Dolan | -- Linden Street |
| Robert Poole | -- 56B Moynihan Road |
| Mimi Fanning | -- 122 Railroad Avenue |

Flag Salute – Pledge of Allegiance

Speakers, if you would like to ask a question or be heard on a motion, please proceed to one of the microphones at the front of the isles. While we will try to accommodate everybody, if you do not move quickly, your window of opportunity may get closed.

The Moderator noted the importance of anyone speaking to state their name and address for the meeting notes.

The Moderator thanks the students at the Hamilton-Wenham High School for their work in producing the televised meeting under the direction of Mr. Shailor and Mr. Melville.

The Moderator asks those in attendance to turn off the audio on all cell phones and other devices and asks that anyone who must take a call, please leave the auditorium before taking or returning the call.

The Moderator stated that if they are unable to complete action on the Warrant tonight, this Town Meeting will be recessed until Tuesday night at 7:30 p.m. at the same location.

The Moderator introduces those in attendance at the front of the auditorium:

Moderator: Bruce Ramsey
Town Clerk: Jane Wetson
Asst. Town Administrator: Allison Jenkins

At the front table:

Town Counsel: Donna Brewer
Town Administrator: Candace Wheeler
Selectmen: William Bowler
David Carey
Richard Low, Chairman

Finance Committee: Bob Bullivant
John McWane
Arthur Oberheim
Sandy Shaw

Finance Director: Deborah Nippes-Mena

ARTICLE 2008/10 -1-1 Reports

The Moderator recognized Carin Kale, 36 Rock Maple Avenue, of the Government Study Committee. The committee that was appointed by the Board of Selectmen in February is considering the operations of the Town in regard to improvement, efficiencies and restructuring.

The committee is analyzing how Hamilton's government currently works and how other town governments' work. Committee members have met with department heads and Town boards to discuss the pros and cons of the existing Town structure. They also met with representatives from the Department of Revenue's Division of Local Services. The committee will summarize its findings at the May 2009 Town Meeting.

ARTICLE 2008/10-1-2 Appropriation Transfer – Debt Principal and Interest

Moved by Arthur Oberheim, member of the Finance and Advisory Board, duly seconded, that the Town transfer \$10,400 from the FY09 appropriation for the Essex County

Retirement Account to pay Debt Principal and Interest on the Town's FY09 Revenue Anticipation Notes.

The Moderator called for the vote.

VOICE VOTE: MOTION PASSES

ARTICLE 2008/10-1-3 Appropriation Transfer – Community Notification System

Moved by Arthur Oberheim, member of the Finance and Advisory Board, duly seconded, that the Town transfer \$5,000 from the FY09 appropriation for the Board of Health to fund the purchase and installation of a community notification system for the Emergency Center of Operations.

The Moderator called for the vote.

VOICE VOTE: MOTION PASSES

ARTICLE 2008/10-1-4 Citizens Petition – Property Tax Exemption Petition to Legislature

Moved by William Dery, citizen, duly seconded, that the Town authorize the Selectmen to petition the Legislature to allow the Town, upon the affirmative vote at a regular or special Town Meeting to adopt a property tax exemption for certain qualifying parcels of owner-occupied real estate classified as Class One, residential, on substantially the terms and conditions set forth in Appendix A to this warrant; provided that the Legislature may reasonably vary the form and substance of the requested legislation within the scope of the general public objective of this petition.

Dery presented for 20 minutes describing the need for a property tax exemption in Town for seniors on fixed incomes. He worked with Senator Bruce Tarr, State Representative Brad Hill and Town Counsel Donna Brewer on the language for the Home Rule petition to be put before the state Legislature. The proposal does not include any other Hamilton residents for tax exemption (i.e., low income under 65).

Amendment moved by William Dery, citizen, duly seconded, that Section 2, D have the \$80,000 reduced to \$65,000.

Amendment moved by William Dery, citizen, duly seconded, to change Section 6, A to add 60 days or more prior to the annual spring Town Meeting any and all documents necessary to establish eligibility for the exemption including income tax returns will be submitted for consideration of the exemption that year.

The Moderator said they would act on the amendments before the main motion.

The Moderator recognized Richard Low who said the Board of Selectmen opposes the Home Rule petition by majority vote although the Selectmen are in favor of providing property tax relief for low and middle-income seniors. The Board supports seeking approval for a Home Rule petition but it should be targeted to a narrower range of seniors (maximum income of \$50,000 and there should be an asset test and maximum home value \$300,000 to \$500,000) than is provided for in Dery's proposal.

The Selectmen are concerned about the financial impact a Home Rule petition could have on the Town. Specifically an override might be needed to fund the tax abatements. Low said the Town would continue work on a petition similar to the one proposed by former Selectman Jim Bryant.

The Moderator recognized Arthur Oberheim who said the Finance and Advisory Board is supportive of finding a way to help low and medium income seniors with property taxes. However it is very important to understand what the shift in the tax burden from one group of residents to another would be based on the tax exemption proposal. Also the need for an override to offset the tax abatements is another reason why the FinCom believes they need to do more work to understand the financial impact of the proposal.

Oberheim said the lack of an asset test in the proposal is another concern. He said the 10-year residency requirement is to ensure people don't move to Town for the tax incentive. Oberheim said the Town would look at eligibility criteria for a tax exemption including income, assets (i.e., annuities), and house value. There would be a cap of up to 15%.

The Moderator recognized Lynnette Fallon, 38 Goodhue, who explained the details of a property tax circuit breaker in Massachusetts General Law where \$900 can be deducted annually.

Oberheim responded to another resident in regard to the asset test in the tax abatement proposal. The asset test is thought to be critical to determine what help residents really need with their property taxes due to wide variation in property values. Income alone does not determine who needs help. The Town officials will try to find a balance between property value and income. Specifically the \$300,000 versus \$600,000 cost the Town needs time to find that out, said Oberheim. The FinCom is interested in helping seniors that have lived in Hamilton for a long period of time and paid their taxes.

The Moderator recognized Selectman Low who said the Town is preparing to put something related to the Home Rule petition forward at the spring Town Meeting rather than going forward now without enough information nor having determined what group to serve.

Michael O'Neill from Bridge Street said people could use reverse mortgages to offset the property tax burden. He stressed that the Town understands the plight of seniors on fixed

incomes but he thought an asset test was necessary as well as knowledge about the impact of a shift in the tax burden.

Jennifer Scuteri, 171 Essex Street, agreed with Low that the tax impact should be understood. She said there are wealthy landowners living in the outskirts of Town who are hiding behind the Chapter 61 exemption to avoid paying property taxes where the Town has lost \$500,000 in property taxes. Some of these landowners are operating farms such as Green Meadows. Scuteri cited the example of one family with a land trust that avoided paying \$200,000 in property taxes last year. She suggested the Town officials be more aggressive when property tax exemptions are filed since many of these landowners have no mortgages, are not suffering and should be paying their fair share of the property taxes.

Another resident spoke briefly.

Betty Gray of 24 Lee Park, said senior citizens on fixed income need a break on property taxes. She is 74 and went back to work after retirement so she could continue to live in Hamilton. Gray recommended the Town move forward with the Home Rule petition now.

Joanne Patton, Asbury Street, said based on her age and income she would never qualify for the property tax exemption. But she encouraged the Town officials to bring a proposal with all eligibility credentials included to the spring Town Meeting.

The Moderator addressed the first amendment to amend the Appendix A, Section 2, Clause D to change the figure from \$80,000 and replace it with \$65,000. The motion to amend has been seconded.

The Moderator called for the vote on the amendment.

VOICE VOTE: AMENDMENT PASSES

The Moderator addressed the second amendment to amend the Appendix A, Section 6 that rewrites the second half of Section 6. It deletes the balance of the printed form late in the third line that says “who shall promulgate such a form.”

SECTION 6: A taxpayer seeking an exemption pursuant to this act shall, in each year in which the exemption is being sought, apply for such residential exemption to the Hamilton Board of Assessors in writing, on a form submitted to the Assessors, who shall develop and promulgate such a form ~~within three (3) months following the passage of this act. Said form shall be submitted together with any and all documents necessary to establish eligibility for such exemption, including income tax returns, and shall be submitted within sixty (60) days following the receipt of the first annual tax bill for the year in which the exemption is being sought.~~

SECTION 6 will read as follows: “**A taxpayer seeking an exemption pursuant to this Act shall in each year in which the exemption is being sought apply for such residential exemption to the Hamilton Board of Assessors in writing. On a form submitted to the Assessors who shall develop and promulgate such a form sixty days or more prior to the annual spring Town Meeting. Said form shall be submitted together with any and all documents necessary to establish eligibility for such exemption including income tax returns. Failure to submit information will nullify any exemption for that year.**”

The Moderator called for the vote on the amendment.

VOICE VOTE: AMENDMENT PASSES

The Moderator proceeded to the main motion. For the Town to authorize the Selectmen to petition the Legislature to allow the Town, upon the affirmative vote at a regular or special Town Meeting to adopt a property tax exemption for certain qualifying parcels of owner-occupied real estate classified as Class One, residential, on substantially the terms and conditions set forth in Appendix A to this warrant; provided the Legislature may reasonably vary the form and substance of requested legislation within the scope of the general public objective of this petition.

The Moderator noted that the reference to Appendix A is as amended to the amendments that just passed.

The Moderator called for the vote.

VOICE VOTE: UNCLEAR

The Moderator asked the voters to hold up their voter cards.

**CARD VOTE: MOTION DOES NOT PASS
Declared by the Moderator**

APPENDIX A

SECTION 6 as amended at STM

PROPOSED ACT FOR THE EXEMPTION OF CERTAIN QUALIFYING REAL ESTATE FROM PROPERTY TAXES IN THE TOWN OF HAMILTON

Be it enacted by the Senate and House of Representatives in the General Court assembled, and by the authority of the same, as follows:

SECTION 1: With respect to each qualifying parcel of real property classified as Class One, residential, there shall be an exemption from property taxes, sufficient so as the resulting tax will be no greater than 10% with provisions to vary in subsequent years up

to 15%, set by majority vote of the town, of the owner occupied combined household, income, subject to the criteria set forth below.

SECTION 2: Real property shall qualify for the exemption set forth in Section 1 if all of the following criteria are met:

- a. The domicile of the qualifying real estate is owned and occupied by persons or family where 10 % and variable to 15% in subsequent years of the total combined income of all property owners and their spouses is less than the assessed real estate tax.
- b. The domicile of the qualifying real estate is owned and occupied by at least one person having reached 65 or more years of age. For the purposes of this exemption, either spouse or owner must be 65 years or older before the beginning of the fiscal year for which an exemption is sought.
- c. One or more of the property owners has been a resident of Hamilton for at least 5 consecutive years or more prior to the submission of an application for this exemption.
- d. The combined total income of the property owners [and their spouses] does not exceed \$80,000. The property is the primary residence of one or more of the property owners.

SECTION 3: This exemption shall be in addition to any exemption provided for by the laws of the Commonwealth, and for which the Commonwealth provides funding.

SECTION 4: Where as the exemption is based upon the total household income rather than the assessed valuation of the property, the computation shall be calculated by using the amount on line 22 of the IRS form 1040 or its equivalent of the various owners and their spouses, multiplied by 10 percent or the percentage set by the town set in subsequent years. The resulting figure shall be the maximum collectible property tax. If the resultant amount is higher than the present real estate tax, the lower figure will prevail.

SECTION 5: Definitions: For the purposes of this act; “parcel” shall mean a unit of real property as defined by the Assessors in accordance with the deed for such property and shall include a condominium.

[other definitions to be added...for property owner; real property; income; primary residence; owner-occupied; qualifying parcel; ...]

SECTION 6: A taxpayer seeking an exemption pursuant to this Act shall in each year in which the exemption is being sought apply for such residential exemption to the Hamilton Board of Assessors in writing. On a form submitted to the Assessors who shall develop and promulgate such a form sixty days or more prior to the annual spring Town Meeting. Said form shall be submitted together with any and all documents necessary to establish eligibility for such exemption including income tax returns. Failure to submit information will nullify any exemption for that year.

SECTION 7: Following Legislative approval, acceptance of this act by the Town of Hamilton shall be by an affirmative vote of a majority of the voters at any regular or special Town Meeting. This act shall become effective on the next day following the affirmative vote.

ARTICLE 2008/10-1-5 Closing Financial Actions

Moved by Arthur Oberheim, Chairman of the Finance and Advisory Board, duly seconded, that the Town take **NO ACTION** on this article.

Oberheim said this article was a placeholder but no action is needed.

The Moderator called for the vote.

**VOICE VOTE: MOTION PASSES UNANIMOUSLY to take NO ACTION
Declared by the Moderator**

The Moderator recognized Senator Bruce Tarr who thanked the people involved with the effort related to the property tax exemption. He added that he and State Representative Brad Hill are prepared to work with the Legislature to help get a property tax exemption for seniors to become law in the state.

A motion was moved and seconded to dissolve the special Town Meeting at 9 p.m.

A TRUE COPY: ATTEST:

**Jane M. Wetson, CMMC
Town Clerk**