

# HAMILTON DEVELOPMENT CORPORATION

## Minutes

April 30, 2014

**Welcome** – AT 9:05 AM Brian Stein opened the meeting of the Hamilton Development Corporation. Board members Anthony Nickas and Bill Gisness were present. Town Planning Coordinator, Kristine Cheetham, and Finance Director, Deborah Nippes-Mena, were also present.

### Agenda

**Budget Discussion** – A. Nickas and D. Nippes-Mena provided a 5 year cash flow projection and a revised itemization of the expense budget. The cash flow projection is based on a fiscal year beginning on July first. The Board members had a general discussion of the fixed costs. They also noted that there may be a few differences in the line items for rental income for June 2014 if the closing moves forward as planned. The discussion of the budget also focused on the transfers itemized in the revised expense budget and the limited amount of funds available for operating expenses in the future.

**ACTION:** Bill Gisness made the following motion, " We the directors of the HDC agree to transfer a sum of \$70,214 from the Undesignated fund balance for capital and settlement costs associated with the purchase of the property at 59 & 63 Willow Street, Assessors Map 61 Lots 20 & 21, Willow St. Hamilton, MA and to reflect the budget changes as presented in the revised Expense Budget dated 4/30/14. A. Nickas seconded. All voted in favor.

### **Purchase of 59 & 63 Willow Street**

1. HUD Statement – K. Cheetham asked the Board if they found the terms and amounts on the draft HUD statement acceptable. She noted that one line item had changed; the City and Town Taxes were slightly reduced from \$1,503.63 to \$1,478.98. Therefore the total closing cost was reduced to \$70,077.98. D. Nippes-Mena confirmed that she had resolved who the check would be made out to for tax purposes. B. Stein and A. Nickas agreed to return later that day to sign the warrant for release of the checks.
2. Property Insurance – The Board members reviewed the proposed terms of coverage listed in the insurance documents from Cabot Risk Strategies, LLC. B. Gisness noted that the mention of smoke detectors was important and that the responsibility to check these annually should be added to the property manager's scope of work. The Board also

discussed the fact that the property manager would need to have their own insurance coverage. D. Nippes-Mena said that the coverage might be as high as 1:3 million based on the fact that the HDC was associated with the government. She agreed to confirm this amount. The Board had a discussion about the list of exclusions and also the terrorism coverage. They agreed that the extra cost for the terrorism coverage was not needed.

**ACTION:** B. Gisness made the following motion, “ We the directors of the HDC agree to the terms and costs associated with the property and liability coverage as presented by Cabot Risk Strategies, LLC in their document dated April 29, 2014.” A. Nickas seconded. All voted in favor.

### 3. Lease Agreements

#### a. Life Tennant Agreement

B. Stein distributed a revised lease agreement to the board members. He stated that the new agreement more closely reflected the intent of the language in the Purchase and Sale Agreement signed on March 5, 2014. The Board then reviewed the document page by page to make clarifications and amendments. The revised document removed some typos on page one and the Section 6 – Eminent Domain. After a lengthy discussion the Board agreed to amend the document in several areas.

**ACTION:** B. Gisness made the following motion, “We the directors of the HDC agree to the terms in the Life Tenant Agreement with the following amendments:

- The Life Tenant must carry renters insurance for personal liability,
- The Notices section 11 will include the correct address for the HDC at PO Box 2361 So. Hamilton MA 01982 and the phone # 978-468-2172, of Bill Gisness, and
- The second paragraph in the Subletting section 17 shall be removed.

A. Nickas seconded the motion. All voted in favor.

#### b. Lease with the Barber Shop

Stein distributed a revised lease agreement to the Board relative to the rental of the commercial space to the current barber. The Board members discussed a few elements of this lease agreement and determined that a few amendments were needed.

**ACTION:** B. Gisness made the following motion, “We the directors of the HDC agree to the terms in the Lease agreement with John Halliday with the following amendments:

- Remove the word ‘driveway’ from Section 8 (c),
- Add a statement to the Section 2 Term that includes provision of one month rent from Tenant as a security deposit, and

- Add a statement in the Section 3 Rent that includes the provision for the HDC to negotiate a rent increase after one year.
  - A. Nickas seconded. All voted in favor.

4. Property Management

The HDC was not prepared to go forward with a final scope of work, contract, and hiring of a property manager at this meeting. They discussed a strategy for the next two meetings to address the issue. The Board agreed that the very essential start-up tasks and costs associated with property management needed to be identified at the next meeting.

D. Nippes-Mena reminded the Board that their expense account for these tasks (maintenance) was at \$500 until July 1, 2014. The Board agreed that a little research into property management is needed prior to hiring anyone.

5. HDC Organizational Matters

K. Cheetham asked the Board to make plans for the next few meetings to also include drafting Operating Guidelines. The audit in Sept.-Oct. is likely to draw attention to this topic. It also is critical for establishing a procedure for the property manager to have a working relationship with town hall staff. The Board agreed that the task needed to be resolved. They also assigned a sub-committee of Rick Mitchell and David Carey to conduct the research.

**Adjourn** – At 10:10 AM A. Nickas made a motion to adjourn. B. Gisness seconded. All voted in favor.