

**TOWN OF HAMILTON
BOARD OF SELECTMEN
NOVEMBER 19, 2012**

The Board of Selectmen met at Hamilton Town Hall at 7:00 p.m. on Monday, November 19, 2012 with David Neill, Marc Johnson, Jennifer Scuteri, Jeff Stinson and Jeff Hubbard present. Town Manager Michael Lombardo, Finance Director Deborah Nippes-Mena, Board of Assessors, and Director of Assessors Tina Zelano also present.

Call to order

Chair David Neill called the meeting to order at 7:00 p.m. He read a letter from Joanne Patton and thanked her for sending the correspondence.

Public Comment

None.

Town Manager's report

Town Manager Michael Lombardo spoke about his participation on a solid waste conference panel. Topics included state perspective on taking organics out of waste stream in 2014, and that Vermont has voted to do this state-wide. He explained that 40% of the households in Hamilton are removing organics from the waste stream. Lombardo noted that prevailing attitude about trash is that solid waste is what is left after recycling and composting are done.

He also addressed a list of questions the Board had received from resident Bob Gray. He said that there is no P.I.L.O.T. agreement with Gordon Conwell Theological Seminary and that GCTS provided a gift of \$100,000 to the Town for the third year running and it is believed the Town will receive a similar gift this year, and that he is not privy to a P.I.L.O.T. program with Pingree School.

Neill mentioned that prior to Hamilton having a Town manager there was a committee led by former Wenham Town Administrator Jeff Chelgren to address P.I.L.O.T. opportunities. He noted that informal arrangements rather than signed P.I.L.O.T. agreements worked best for Hamilton. Jeff Hubbard suggested this discussion be raised at an upcoming Selectmen's meeting.

Lombardo addressed the idea of a beautification by-law that resulted from Selectmen's retreat discussion about whether there was a need to change existing by-laws.

He also mentioned that the Town had received bids for the water pipe replacement program and DPW Director John Tomasz is working on a schedule of work on particular streets and that this information would be posted on the Town's website.

Chairman/Selectmen reports

Hubbard noted that Jean Whitman of the Hamilton Wenham Garden Club had assisted with getting flower boxes for traffic islands installed in both towns. Jeff Stinson mentioned that he had an updated list from Verizon detailing double utility poles in Hamilton and efforts in the works to remove them. Jennifer Scuteri acknowledged veterans in Hamilton and thanked them for the recent appreciation she received.

Tax Classification Hearing

Neill opened the Tax Classification hearing with the Board of Assessors. Director of Assessors Tina Zelano reported on four tax classification options including open space discount, residential exemption, small commercial exemption, and residential factor.

The open space discount does not apply to Hamilton because no land is classified as open space with public access although the Town has a lot of undeveloped land. Discussion ensued about whether or not this would apply to Chapter 61 land if these homeowners would be willing to allow their land to be open to the public. The town of Bedford has defined open space and Neill suggested Scuteri contact that community's officials to learn more about what steps were taken in the open space definition process.

Then a description was given about the applicability of the residential exemption as it is used for seasonal homes in resorts such as Nantucket and for apartments in the cities of Boston and Cambridge. This exemption was not recommended for Hamilton for the Board of Assessors.

Neill entertained a motion for the Town of Hamilton to not adopt the residential exemption as recommended by the Board of Assessors. Marc Johnson so moved. Stinson seconded the motion. VOTE: Unanimous.

Selectmen then considered the small commercial exemption. Zelano described how the commercial exemption is an exemption placed with the building, not the business itself. The businesses must have an average annual employment of not more than 10 people in order to qualify for an exemption of up to 10%. Valuation Consultant Tom Hogan said this exemption would shift the tax burden to a handful of commercial property owners that would be subsidizing many more small businesses.

Discussion ensued where Johnson said that the Town cannot currently give a tax incentive, for example, under the Great Estate by-law. Hubbard said this discussion was important to assess impact on existing commercial business owners.

Neill entertained a motion for the Town of Hamilton not to adopt the small commercial exemption. Hubbard so moved. Scuteri seconded motion. VOTE: Unanimous.

Discussion followed on the residential factor where Town officials discussed how if there was a multiple tax rate for each classification of property it would disproportionately burden commercial tax property owners versus residential property owners. Lombardo described how there are financing techniques that could be considered by the Hamilton Development Corporation to encourage commercial development in Town. Discussion included impact of implementation of Great Estate by-law with commercial development on a residential property on the residential factor.

Neill entertained a motion to adopt a residential factor of 1 and a single tax rate for all classifications of property. Hubbard so moved. Scuteri seconded motion. VOTE: Unanimous.

Zelano then stated that the total FY'13 value of the Town is \$1,291,952,004. Discussion ensued about personal property valuations relative to utilities and for home businesses with property valued above \$2,000. Johnson suggested an article could be placed in the newspaper about the process of complying with personal property valuation. Zelano noted that the projected tax levy for 2013 is

\$22,234,494 and the projected tax rate is \$17.21 which is down by six-tenths percent since last year.

Lombardo noted that fewer properties are going through foreclosures than in recent years. Also addressed was that the number of requests for property tax abatements was down. Zelano mentioned that Senior Tax Exemption was initially difficult to implement and that of the 48 applicants, 37 qualified with a \$68,000 contribution. Neill closed the hearing.

Consent Agenda

Approval of Minutes:

- November 5, 2012 Regular and Executive Session

Permission for Sale & Display Banner

- **HW Ed Fund** – Request to use Patton Park lot at Asbury Street for Annual Christmas Tree Sale November 29 – December 16. Request to hang banner from the posts on the front lawn of Council on Aging building, advertising the sale.

One Day Liquor Licenses

- Gourmet Delights Catering, Inc. for an event at the Community House on December 1, 2012; and for an event at the Community House on January 5, 2013.

Appointments

- Rick Mitchell to the Hamilton Development Corporation
- Emily Sumner to the Patton Pool Committee

Accept Donations

Patton Park Playground – General Donations

Barbara Trout - \$25
Michael & Shelby Thompson - \$100
Gelean M Campbell - \$50
Daniel & Julie Smail - \$100
Matthew & Kristin Todd - \$100
Christopher & Darlene LaPointe - \$100
Charles & Karen Smerage - \$100
Stephen W Homer - \$100
Jill Ciaramitaro - \$100

Curt & Ann Alboth - \$100
Jeffrey Greenberg & Kimberly Dietel - \$100
Duncan & Gail Noonan - \$500
Provost Personal Training Fitness & Nutrition Studio - \$500
Theodore E Ober - \$100
Amy C. Bottomley Cavilla - \$200
Grace M & Catherine L Hursty - \$25
Alan & Constance Waterman - \$25
Raymond & Donna Whipple - \$25
Fred & Elaine MacKenzie - \$25
Annette Janes - \$25
Dean & Stephanie Baumeister - \$25
Lynette & Jerry Fallon - \$25
Dawn & David Parisi - \$10
Shireen & James Richards - \$15
Kristin Ellis - \$20
Lea R Parson - \$50
James & Moya Murphy - \$50
Carole J Keating - \$50
Rebecca Kucera & Peter H Hartline - \$50
Nunzio & Barbara Napoleone - \$50
Carl V Swanson - \$100
The Pingree School - \$500
Leslie S Ray Insurance Agency, Inc. - \$500
Infinity of Norwood Inc - \$2,500
Gordon-Conwell Theological Seminary - \$2,500
Robert & Jennifer Walles - \$25
John & Susan Gardner - \$100
NGH Financial - \$500
Ken Wilson - \$2,500
Zampell Family Foundation - \$2,500

Patton Park Playground – Brick Campaign

George & Natalie Connolly - \$100
Gerald Donnellan & Gay Roland - \$200
Nicholas & Janine Richards - \$200
Nancy L & Robin T Day - \$100
Joseph & Sonia Maher - \$100
Robert & Nancy Clark - \$200
Noah & Cynthia Vihinen - \$100

Daniel & Margaret McCarthy - \$100
Steven M Kranz - \$100
Hugh & Elena Foster - \$100
Lily Rice Hsia - \$100
Jayesh K Patel - \$100
Richard & Christine Cutter - \$100
Leslie & Jourdain Chapdelaine - \$100
William W. Gribbell - \$100
Douglas Dagata & Victoria Kunzer - \$100
Helen H Ayer - \$100
Anton & Jennifer Glovsky - \$100
Linda Rose Noone - \$100
Marcie & Brian Hamel - \$100
Children's Development Center - \$100
Laurie & Eian Woodman - \$100
Robert & Barbara Grinnell - \$100
Kristin W Fitzgibbons - \$100
David & Amy Jones - \$100
S John Murray - \$100
Dawn & Stephen Dexter - \$100
Bruce & Paula Snavely - \$100
Curt & Kelly Norris - \$100
Charles & Mary Jo Favazzo - \$100
Alan & Adelaide Liporto - \$100
The Woodbury Family Trust - \$100
Peter R Stewart - \$100
Shore Country Day School - \$100
Adam Strozier & Fiona Breslin - \$300
Mary Thibault & Flynn McDonnell - \$305
Kevin & Julie Dyer - \$200
Kristin Doughty Danaher - \$300
Richard & Barbara Ireland - \$400
John & Nancy Cutler - \$200
Mela Lew - \$200
Paul & Holly Gamber - \$200
Brandon & Laura Sexton - \$100
Theodore E Ober - \$100
Trina H Smith - \$900
Edward W Seaver, Jr. - \$100
Peter & Grace Meo - \$100

Thomas & Jane Dooley - \$100

Barbara & Francis Sears - \$100

Hubbard entertained a motion for the Board of Selectmen to approve the November 5, 2012 Regular Session meeting minutes. Scuteri so moved. Stinson seconded motion. VOTE: 4-0-1 with Neill abstaining because he did not attend.

Hubbard entertained a motion for the Board of Selectmen to approve the November 5, 2012 Executive Session meeting minutes. Johnson so moved. Scuteri seconded motion. VOTE: Unanimous.

Neill entertained a motion for the Board of Selectmen to accept the remainder of the other Consent Agenda items. Scuteri so moved. Stinson seconded the motion. VOTE: Unanimous.

FY2014 Budget Projections

Lombardo described work underway on three year budget forecast and the impact on the tax rate. He noted that budget hearings would be held with the staff next week in preparation for joint FY 2014 budget presentation on December 8.

He mentioned that since 2010, Hamilton has only added five single family houses. He added that due to the housing market, single family houses in Town valued over \$1 million have lost 30% of value in ten years or \$197 million in value so this drives up the tax rate more than spending gains.

Discussion ensued about two to three year lag in housing market, that housing values are relatively current due to recent assessment in Town and whether or not quicker adjustments could be made if housing market rebounds. Scuteri mentioned that high tax rate can keep the property values down. Lombardo added that Assessors are responsive and not overly conservative with assessments and that there are different classes of property.

Lombardo noted that overall from this year to the next and into the future the revenue is flat. He added that the state is facing a \$250 million deficit in revenue so any increases in state aid is very unlikely so flat numbers are being used for the Town budget for state reimbursements and for HWRSD as well.

Lombardo described three-year trend for uptick in excise tax where there was an increase of \$30,000 in 2012 and this is expected to decline since residents are not

buying new cars in this economy. He noted that there is fiscal burden in housing costs for many residents in Town.

Lombardo explained that Town expenditures have been held to less than a 2% increase for a couple of years and that should continue. Also, the budget projection is that level funding would be done with the HWRSD budget. In addition, information was provided on bonds and no capital needs were considered.

Lombardo summarized the projected tax rate is \$17.22 adjusted down from 2013 with a level funding scenario for schools and less than 2% increase for Town expenses and the property tax is projected to rise in the next few years to \$18, \$18.52 and \$19 including a 3.4% in school spending. He suggested growth factors were based on available data and he reiterated that State Rep. Brad Hill has said state funding would be flat. Lombardo said this is based on a level services budget and further budget discussions could include service levels and funding.

Johnson summarized FY2014 preliminary budget with \$2.3 million in Town revenues, \$5.2 million in personnel costs remaining flat, \$3.6 million in operating costs. Discussion included that there is little increase in the operating expense and impact of snow removal budget as well as need for conversation about the future of the dispatch center.

Discussion ensued about increases from FY2012 to FY2013 budget relative to revenue with Hubbard expressing concern about a \$900,000 expense increase. Finance Director Deborah Nippes-Mena provided details including some large properties that were in tax title, P.I.L.O.T. from Manchester and one-time non-recurring revenue including from MEMA.

Neill summarized that a nearly 2% increase is projected for next fiscal year's budget and 3.4% increase for school expense dependent upon HWRSD funding level services. Discussion ensued about Hamilton having more students in the school district than it has had recently so the percentage of financial support will increase for the Town relative to Wenham's percentage.

Lombardo mentioned that the tax rate is increasing precipitously for 2014 and that the median home's tax bill and average home's tax bill went down for 2012 and for 2013 the tax bill was flat for median and slightly decreased for average tax bill.

He reiterated that Hamilton's single family resident property value is in decline and relative to the growth factor, the trend is for an estimated increase in volume that is less than 1%. Discussion ensued about the model provided by Lombardo relative to overall trend, projected increase in property values, the broader national economy and state revenues.

Town officials agreed that during the upcoming budget session on Saturday, December 8 they can analyze actuals. Also, how budget is spent during the course of the year as Hubbard was still looking for an explanation as to why there has been a \$900,000 increase in the Town budget in the last year.

Lombardo said the projected budget was based on historic spending for personnel costs and trends versus long term projections. Hubbard suggested information be provided on why increases have occurred in public works, recreation and general government in the last year. Johnson recommended that understanding this level of detail could be done independently by Selectmen. More discussion will occur during budget working session with Finance Committee on December 8 at 9 a.m. at Town Hall.

Nippes-Mena summarized the shift in student enrollment for Hamilton based on the three year rolling average that will cost the Town \$153,215.98 more next fiscal year. She explained that for the schools revenue projection the Excess & Deficiency fund has been reduced and to level fund the school cost to Hamilton would be \$770,140.49. Discussion ensued about whether HWRSD would level fund or plan for level services and that the school cost increase could be from 3.4% to 5%.

Discussion ensued about whether school choice students were built into the budget numbers, the gift that has come from GCTS relative to the seminarian children that attend the public schools, impact of deferred capital improvement projects on budget, Selectmen's role to generate revenue ideas for Town and that Wenham is more successful than Hamilton in providing alternative housing options, erosion of quality of life if services are eliminated and if there is room for cuts. It was noted that \$2 million just approved for school capital projects and landfill debt were not included in the budget projection.

Hubbard emphasized the importance of addressing the GCTS cost of education to the Town since as many as 40 students are enrolled in the HWRSD which impacts the percentage share of Hamilton students in the school

district versus Wenham. He asked Mena to analyze school support costs for Hamilton with 40 fewer students.

Senior Tax Exemption Program Chapter 91 – Vote annual guidelines

Discussion ensued about whether or not to change the parameters for qualification for Senior Tax Exemption from 70 years old to 65 years old and income range for single applicants from \$30,000 to \$49,499 currently set at \$33,000 and for married applicants filing jointly from \$49,500 to \$74,250 currently set at \$49,500.

The Town received 48 applications this year where all but 10 to 15 applications were funded on average about \$1,800. Discussion ensued about \$66,000 being available for the exemption this year and that a similar amount of funds is expected to be available for next year's applicants. The Board considered what parameters serve the most residents most effectively dependent upon eligibility. It was thought that the applicants who did not qualify for the exemption this year likely did not meet the income and asset qualification. If the age qualification was reduced from 70 years old to 65 years old there would be less funding available to the most needy applicants.

Neill entertained a motion to set the age qualification requirement for participation in the Chapter 91 Senior Tax Exemption Program for the Town of Hamilton for the year 2014 at 70 years old. Johnson so moved. Hubbard seconded motion. VOTE: Unanimous.

Neill entertained a motion to set the income qualification requirement for participation in the Chapter 91 Senior Tax Exemption Program for the Town of Hamilton for the year 2014 at \$33,000 for single applicants and \$49,500 for married applicants filing jointly. Johnson so moved. Scuteri seconded motion. VOTE: Unanimous.

Schedule Next Meeting

The Board will hold its next regular Selectmen's meeting on December 3 and attend a budget working session with the Finance & Advisory Committee on December 8.

Neill entertained a motion for the Board to adjourn at 9:21 p.m. Hubbard so moved. Scuteri seconded motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____



Clerk