

**TOWN OF HAMILTON
BOARD OF SELECTMEN
MARCH 10, 2014**

The Board of Selectmen met at Hamilton Town Hall at 7:00 p.m. on Monday, March 10, 2014 with Marc Johnson, Jeff Hubbard, Scott Maddern, David Neill and Jennifer Scuteri present. Town Manager Michael Lombardo, Finance Director Deborah Nippes-Mena and Fin Com Chair John McWane also present.

Call to order

Marc Johnson called the meeting to order at 7:02 p.m.

Public Comment

None.

Town Manager's report

Town Manager Michael Lombardo reported that the part time mechanic for the Fire Department is moving on and that specialized position (i.e., certifications required) will be posted. Also he met with Wenham's consultant doing analysis on wage and classification study for the HW Public Library where there is the goal to complete by ATM so there could be an amendment to library budget on Town Meeting floor. He questioned whether or not there would enough time to complete the study and discussion on study and results amongst Town boards by April 5.

In addition, Wenham has asked for consideration of modeling the administrative fee for the HW Recreation Department similar to the administration fee for the library. There has been intention to update all of the inter-municipal agreements between Hamilton and Wenham but that has not occurred to date. Lombardo asked for Board input as he creates a draft for the Selectmen to review relative to impact from the proposed change and he mentioned that the adoption of the methodology will have to be discussed.

Chairman/Selectmen reports

In response to Jeff Hubbard, Lombardo stated that interim DPW Director Dave Hanlon is working with Planning Coordinator Kristine Cheetham and Fire Chief Phil Stevens looking into the display building for the pump engine. Discussion on this matter has occurred with the Zoning Board of Appeals. David Neill related information regarding

the Essex Street bike path and his conversation with Rudy Pizzano. Also mentioned was flag etiquette and flags at half-staff for former Town employees including the recently passed former Hamilton Police Chief Bob Poole. Lombardo outlined guidelines from state government officials on this matter citing local discretion. He noted that police honor guard will participate in the funeral ceremony this week. Jennifer Scuteri acknowledged the amount of work being done in Town by various Hamilton boards and committees.

CONSENT AGENDA

Johnson read item on Consent Agenda.

Appointment of Bruce F. Gingrich to the **Zoning Board of Appeals**, as an Alternate for a 3 year term, ending June 30, 2017.

One Day Liquor Licenses: **Gourmet Delight Catering** for two separate events on March 22, 2014

Approve Minutes for Regular Session – February 24, 2014

Johnson entertained a motion to accept the Consent Agenda as read.
Hubbard so moved. Jennifer Scuteri seconded the motion. VOTE: Unanimous.

AGENDA

Review and Adopt Ascertainment findings for Cable Franchise Renewal (Comcast)

Discussion ensued about recording of testimony from hearing on ascertainment findings on Cable Franchise Renewal and hearing attendees stated that the document was accurate. Johnson entertained a motion to adopt the ascertainment findings for Cable Franchise Renewal. A copy of findings will be posted on the Town's web site for downloading. Scott Maddern so moved. Neill seconded the motion. VOTE: Unanimous.

Open and close Warrant

Johnson entertained a motion to open warrant for ATM on April 5. Scuteri so moved. Neill seconded the motion. VOTE: Unanimous.

Article 2-3: General Town Capital Appropriations. HW School Committee Chair Roger Kuebel said the previously presented HWRSD budget has not changed. Fin Com Chair John McWane acknowledged that the budget process was done well. His Committee is in favor of fully funding the new programs including full day kindergarten. He summarized his Committee's role representing voters and taxpayers including: seniors that received abatements, families using Acord food pantry and reduced lunch program as well as families receiving assistance from Hamilton Foundation.

McWane summarized that the Town raises a 3% increase in funds and HWRSD is presenting a budget of 5% which means that a percentage would come from the levy limit reserve to fund the proposed new programs (i.e., \$725,000). He suggested that 4% would represent \$500,000. He mentioned that per pupil expenditure should be reduced relative to reducing tax burden. Also, that the Town's proposed budget has a 2% increase. McWane recommended the HWRSD be asked in the next year to use its new management team to identify 1% or \$270,000 of savings in the schools which has been asked for in the last few years. He noted that the Fin Com unanimously recommends the 4% increase.

Johnson mentioned that once the Selectmen had agreed that this 4% increase in the school budget was a good number, however at the joint meeting with Wenham and school officials supported a budget where the net increase to the supporting communities for the schools would have been 5.2% or \$1.2 million. Also, the HWRSD is giving back \$1.5 million in a lowered assessment to the towns.

Kuebel addressed the impact on tax levy limit and 4.6% as what was actually spent in FY'14. Also, the proposed budget would not push Town over levy limit. He spoke to transparency of school budget process, especially relative to FY2012, and that \$4.6 million was returned back to towns as cumulative since FY2012. He added that savings have been returned not put into reserves by HWRSD and that total actual expenditures in the last three years has been an increase of less than 1%. This last year the school budget was under budget by \$900,000.

Discussion addressed complexity associated with reducing per pupil expenditure and declining population. Especially relative to trend in residents moving to Hamilton as second time homebuyers with older children. Per pupil cost has gone up over 3.5% to 4% for the median of 70th percentile for the state, higher than inflation, in the last few years, and anticipation is that if HWRSD can slow rate of growth, other communities in the state will have their per pupil cost catch up with HWRSD's in the next few years. In FY'12, per pupil cost in Hamilton was \$14,760 and in FY'14 it was \$15,750 and this will

go up another \$600 with the new budget. There was agreement that HWRSD's per pupil cost is high and that teacher cost is the greatest contributing factor and the school district has a low student/teacher ratio driven by the teachers' contract. Kuebel summarized that contract discussions are occurring with teachers' union and that budget for salaries is flat so any increases would be found in savings. Also that some programs have been added to improve education in the district. He added that moving forward changes would have to occur, including with school choice since it has been costing the district money, to get per pupil cost in line.

Scuteri said the increase in per pupil cost is resulting in the 4%. She questioned how \$4 million extra is benefitting the district students relative to the declining population and that this increase in funds could be applied toward a joined elementary school rather than keep carrying three elementary schools. Discussion ensued about focus of operational audit and other evaluations having been on the Middle School and High School. Kuebel suggested that changes in how HWRSD fundamentally operates could include efficiencies in how to educate the students. Neill spoke to HWRSD trying to spend funds appropriately and addressed how the district could tighten its belt so per pupil costs will go down.

Discussion addressed importance of creating an environment in the communities where residents are not strictly interested in educating their children and then leaving Town as well as maintaining diversity in the community. Maddern acknowledged the transparency with HWRSD about the school district budget and asked if there is underspending identified in FY'15 that additional funds be returned to the supporting communities so the actual school cost is known. Kuebel reported that Jeff Sands from HWRSD is going to recommend through a policy how the district should handle excess funds. Hubbard concurred about transparency and need for school policy on what to do with excess funds returned to the Town. Kuebel mentioned cost per pupil metric and said the hope is over time that the average budget increase should be lower.

In response to Duke Seaver, Kuebel explained that the largest increase in cost is associated with full day kindergarten (it is thought that this is less expensive than catching kids up who are behind later on, i.e., reading in 3rd grade) and one-to-one device program at High School as part of transition away from printed textbooks. Scuteri reiterated importance of watching per pupil expenditure and said it is time to start spending smart relative to one new elementary school versus expensive old school buildings taking away from student education. Kuebel said HWRSD is doing a professional analysis of the future for the school district as part of a master plan and

noted that the state is not paying 42% for new buildings but is for repairs and improvements to existing buildings.

McWane concurred with the HWRSD goals but addressed cost to taxpayers and what is the appropriate cost (i.e., \$1.2 million increase this year) and that \$500,000 was offered by the Town for new programs. He recommended sensitivity to the Town's 3% revenue increase and stated that higher costs require use of some levy limit reserve and if HWRSD costs continue at the same percentage this would lead to a future override. He added that the Fin Com is asking for the school department management team to find 1% and save money for the taxpayers. Kuebel said if savings are found they would be acted on, HWRSD is looking to operate differently and restated that if there is an increase for the teachers' contract this would be found in the current budget since that has not been budgeted. McWane explained that with the HWRSD budget the tax rate will be almost as high as \$18 per \$1,000 which is burdensome. He reiterated that 4% is a fair number as is \$500,000 for new programs.

Johnson summarized that Hamilton's share of the HWRSD budget is \$16,302,008. Maddern moved to accept the HWRSD proposed budget of \$16,302,008 and request Town Manager Michael Lombardo work with Wenham Town Administrator Mark Andrews, HWRSD Superintendent Michael Harvey and Assistant Superintendent Jeff Sands to create an acceptable E&D policy by end of summer. After discussion about not including the caveat as part of the motion and conditional vote, Maddern moved that the Selectmen endorse the proposed HWRSD school budget of \$16,302,008 for FY'15. Hubbard seconded the motion. Maddern reiterated that there should be follow-up on a time target for the E&D policy, Hubbard supported the budget and long term goal for school costs raised by Fin Com, Neill was in favor of school budget proposal, Scuteri agreed with support and reiterated need for strong decision on facilities, Johnson concurred with McWane's message and also was in favor of school budget. VOTE: Unanimous.

Article 2-1: Compensation/Classification Table. Scuteri moves for the Board of Selectmen to recommend favorable action. Hubbard seconded the motion. VOTE: Unanimous.

Article 2-2: General Town Departmental. Discussion addressed how changes include Accounts Receivables Specialist position hours being increased to full time 37.5 hours a week (maximum additional cost would be \$5,000 with 3 steps in 3 years), steps were removed from the library budget and could be added via a floor amendment at ATM or fall STM (i.e., proposed changes in joint library budget is over \$100,000 in a couple of years and requires discussion with retroactive raises planned for July), Essex North

Shore Agricultural and Technical School District number will have final number voted by ATM and is up \$200,000 over last year's budget with Hamilton's enrollment up to 14 students in FY'15. Discussion ensued about this school having ability to add 100 more students. Also mentioned was that funds from the Town's cash reserves (\$600,000 is slated to reduce tax rate) could be used to pay the delta for the library (once wage/classification study is resolved) and technical school budgets and that returned HWRSD assessment funds would be applied to replenish Hamilton's reserves. Discussion ensued about how Fin Com would like capital items taken out of operating budget (\$451,000) and put it into a separate warrant article so the Town can see how the budget is being managed; state requirements will still be met. Town officials said the capital budget will be standalone going forward.

Discussion reiterated that Town budget includes funding for bump in library salaries and COLA but step increases would not be addressed until wage and classification study is completed and entities agree before any budget amendments are done to add funds (\$25,000 for Hamilton's share) for steps. Lombardo noted importance of needed discussion about where library personnel should fall on wage and classification table and agreed upon implementation strategy.

Also mentioned was BOS meeting with interim DPW Director Dave Hanlon that indicated the restructuring and rescheduling so downtown cleaning would happen sooner in the year. In addition, that Brian Stein of the HDC had committed to funding benches for the downtown and HDC would be responsible for designating types of benches and where they would be located. Discussion addressed how HDC would be responsible to work on the list of items proposed by Hubbard (i.e., flower baskets) in the downtown that are not in the Town's operating budget. The Town manager mentioned that it is not the general agreement of the Board that Hamilton fund insurance for an outside entity (i.e., fall festival) and this needs a separate discussion outside of budget discussion.

Discussion addressed how pool related expenses had been moved into the Recreation Revolving budget so parks and recreation maintenance budget line item number is less. Currently the pool status is unknown for FY'15. If this changes the expenses would come out of a municipal pool fund. In addition, the difference between recreation expense between FY'14 and FY'15 is \$5,000 in consulting services (expenses associated with the pool) and any consulting services in FY'15 are under Town manager's budget.

McWane noted that the Fin Com drained its reserve fund to pay for Town's snow removal so there is no carryover to FY'15 pending no further snowstorms. Discussion

ensued relative to if valuations stay the same the Town's tax rate will increase from \$17.40 to \$17.99 and for a median priced home of \$397,000 that is a \$240 increase and this is due to the \$550,000 increase from the schools. Discussion ensued about how housing sales are representing an increase of 1.5% and that this year valuations were up but it was noted that resident tax bills will not change due to change in valuation.

Discussion ensued about remaining and additional debt on schools, joint library, landfill, etc. The Town has good growth in debt capacity if it chooses to use it. Also addressed was potential use of BANS (i.e., pool project) and bonds relative to milestones. In addition, Town owes \$3 million for OPEB costs and Fin Com has concluded that a committee should be formed with Wenham and HWRSD to decide if it would be prudent for Town to borrow now to put money in a trust with the goal that investment gain would be higher than accrued interest. Also noted was that HWRSD would do its own borrowing.

Johnson entertained a motion that the Selectmen approve the Essex North Shore Agricultural and Technical School District placeholder budget. Hubbard so moved. Scuteri seconded motion. VOTE: Unanimous.

Johnson entertained a motion for the Board of Selectmen to recommend favorable action on general Town expenditures and debt. Hubbard so moved. Scuteri seconded the motion. VOTE: 4-1 with Hubbard opposed.

Article 2-3: General Town Capital Appropriations. Discussion ensued about how police vehicles have been pulled out of the general Town budget and Chapter 90 highway funds are not included. Also addressed was strategy for ongoing work sessions to develop a five-year capital improvement rolling plan (it was noted that a wash bay could be considered in the future to extend vehicle useful life). Hubbard opined that these vehicles could be outsourced rather than purchased and maintained. Discussion was on proposal to upgrade municipal landline telephone system to improve productivity and efficiency versus using mobile phones in municipal buildings.

Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 2-3. Maddern so moved. Neill seconded the motion. VOTE: 4-1 with Hubbard opposed.

Article 2-4: Water Enterprise Budget. Discussion ensued about how the new water rates that are going up on July 1, 2014 will support the expenses that are going up related to capital; this should not affect the tax rate. Johnson entertained a motion for the Board of

Selectmen to recommend favorable action on Article 2-4. Scuteri so moved. Maddern seconded the motion. VOTE: Unanimous.

Article 2-5: *Water Enterprise Retained Earnings.* Scuteri moved for the Board of Selectmen to recommend favorable action on Article 2-5. Neill seconded the motion. VOTE: Unanimous.

Article 2-6: *Waste Reduction Enterprise Budget.* Discussion ensued about how some of this cost is going down since there is no longer debt associated with barrels, disposal cost is going down, collection and hauling costs are going up. The General Fund ask is below \$300,000 from \$500,000. Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 2-6. Scuteri so moved. Hubbard seconded the motion. VOTE: Unanimous.

Article 2-7: *Annual Financial Actions.* Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 2-7. Neill so moved. Scuteri seconded the motion. VOTE: Unanimous.

Article 2-8: *Community Preservation Budget.* More information is needed after upcoming vote by Community Preservation Committee on FY'15 expenditures so the Selectmen will make a recommendation at ATM.

Article 2-9: *Annual Authorization of Revolving Funds.* Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 2-9. Neill so moved. Hubbard seconded the motion. VOTE: Unanimous.

Article 2-10: *Hamilton Development Corporation.* The Board voted to recommend favorable action on this article at its last meeting.

Article 2-11: *OPEB Trust Fund.* Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 2-11. Scuteri so moved. Hubbard seconded the motion. VOTE: Unanimous.

Discussion ensued about rearranging Article 2-12 and Article 2-13 (this is revenue related) in the warrant since bids for Article 2-13 will be received on Friday and a recommendation will be made at ATM.

Article 2-13 (now Article 2-12): *Disposition of Portion of Patton Homestead Property.* Johnson entertained a motion for the Board of Selectmen to recommend favorable

Article 5-1: HWRSD Agreement Amendment. Discussion ensued about HW School Committee voting to reduce number of members from 9 to 7. Johnson noted that the Board had already voted in favor of this proposal to reduce the number from 9 to 7 before STM. Discussion addressed whether or not School Committee should meet with Town officials to explain recommendation for this before ATM. Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 5-1. Maddern so moved. Scuteri seconded the motion. VOTE: 4-1 with Hubbard opposed.

Article 6-1: Free Cash Application. Maddern moved for the Board of Selectmen to recommend favorable action on Article 6-1. Hubbard seconded the motion. VOTE: Unanimous.

Maddern moved the Board close the warrant for ATM. Hubbard seconded the motion. VOTE: Unanimous.

Discussion and Vote to draft a letter to all Boards and Committees reminding them to comply with Open Meeting Law to post meeting agendas and regular meeting minutes in a timely fashion on their own page on Town's website, as well as with the Town Clerk

Discussion ensued about how there is no consistency between Town boards and committees about how they post meeting minutes and agendas especially on the web site, how they notify other Town boards and committees, how meetings are tied to the calendar, how the meetings are recorded and announcements done related to this, as well as thorough agenda topics relative to OML. Town Manager Michael Lombardo has sent memos to Town boards and committees asking them to put meeting minutes on file with the Town Clerk's office and he does not believe it is being adhered to.

Discussion addressed the Selectmen sending a letter to Town boards and committees on these points and could include reference to Town Counsel Donna Brewer's memo detailing when an opinion is expressed to a quorum it is considered deliberation. The Attorney General's and Inspector General's offices offer OML training and letter would include links and encourage the Town boards and committees to comply with OML.

Neill moved that the Board write the letter and asked Town manager or BOS Chair to draft the letter. Hubbard seconded the motion. VOTE: Unanimous. Johnson agreed to draft letter.

action on Article 2-13. Scuteri so moved. Maddern seconded the motion. VOTE: 4-1 with Hubbard opposed.

Article 2-12 (now Article 2-13): *Reconstruction of Patton Park Pool.* The Board will make a recommendation at ATM.

Article 2-14: *Citizens' Petition Construction of Path along Essex Street.* Discussion ensued about how the citizens' group had discussed at Board meeting asking for \$25,000 to clean up trail and how there should be a thorough plan to create a path (i.e., scope and location of work on Essex Street and actual cost: \$800,000) and have this funded through the capital plan relative to Town priorities. Also addressed was citizens' interest in having the public works department clean up public way for 2.5 miles including trimming trees and moving obstructions.

Discussion was about whether or not the Town should allocate \$50,000 from Free Cash as adequate to accomplish goal once type of path is established. Also mentioned was interest from homeowners to do private fundraising for path. McWane opined that as much work as could be done should be for \$25,000. Neill was in favor of doing the project up to \$25,000 but noted there would be interest in applying \$50,000 toward the project. Johnson entertained a motion that the Board open Appendix D and add up to \$50,000 for the project into the capital budget for cleaning the path on Essex Street for which the Town has a right of way study. Scuteri so moved. Neill seconded the motion. Hubbard stated that he is in favor of the \$50,000 for the project but is opposed to the capital budget. VOTE: Unanimous. Scuteri moved the Board take no action on Article 2-14. Hubbard seconded the motion. VOTE: Unanimous.

Article 3-1: *Citizens' Petition Site Plan Review to Planning Board.* Discussion ensued about how process to change zoning by-laws as defined by state law has not been followed by the Planning Board members driving citizens' petition and how the BOS would remand this to the Planning Board to hold public hearings and it was noted that there is not enough time before ATM to hold public hearings. If the Planning Board as a quorum goes through a proper zoning by-law change process this could potentially be addressed at STM. Scuteri moved that the Board of Selectmen recommend no action on Article 3-1. Maddern seconded the motion. VOTE: 4-1 with Hubbard opposed.

Article 4-1: *Conforming Amendments of Town By-laws.* This article asks ATM to agree to latest version of Town Meeting Time handbook. Johnson entertained a motion for the Board of Selectmen to recommend favorable action on Article 4-1. Neill so moved. Maddern seconded the motion. VOTE: Unanimous.

Set date for next Board of Selectmen meeting

The Board set next meeting dates on March 17 and 24 and workshop dates on capital plan for April 14 and 28 starting at 6 p.m.

Johnson entertained a motion at 10:19 p.m. to adjourn. Maddern so moved. Scuteri seconded motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: 
Clerk

