

**TOWN OF HAMILTON  
FINANCE & ADVISORY COMMITTEE  
AUGUST 12, 2014**

The Finance & Advisory Committee met at Hamilton Town Hall at 6:33 p.m. on Tuesday, August 12, 2014 with Rick Sprenkle, Nancy Gerardi-Walsh, Charles Chivakos and Jeff Stinson present. Finance Director Deborah Nippes-Mena also present.

**Call to order**

Rick Sprenkle called the meeting to order at 6:33 p.m.

**Proposed Warrant Articles for Fall Town Meeting (STM)**

Discussion ensued about whether or not a STM will be held this fall on September 29 or October 2. Financial warrant articles will include: FinCom Reserve adjustment (\$100,000 was budgeted and \$64,000 has been spent since the beginning of the fiscal year; rather than spending certified Free Cash), Council on Aging budget adjustment for newsletter printing slightly more than \$5,000 unless advertising is revisited, and a general by-law will be added.

The Patton Park pool project has been removed from the STM. Discussion addressed how these warrant articles could be taken up at ATM. If STM is not held, it would save the Town between \$2,000 and \$4,000. The Selectmen have opened the warrant and whether or not to hold STM will be discussed between Town manager and BOS. Sprenkle will speak to Selectmen Chair Scott Maddern relative to this topic.

Discussion ensued about if there is risk involved with not holding a STM associated with not replenishing the FinCom reserve and if there is an opportunity for the Town to participate in a matching grant that requires funds. Also, if a cruiser would have to be replaced unexpectedly a \$20,000 insurance reimbursement cannot be done without an appropriation. If money is not appropriated for FinCom reserve at STM and a need arises funding could come from operating budget.

There was consensus amongst Committee members to not hold a STM if there is no urgent need until ATM but if a need arises a STM would be held. FinCom discussed potential difficulty in reaching a quorum for an STM if the warrant

articles might not have enough interest to bring out voters as well as if there is a dire need this would motivate voters to attend. It was noted that Wenham is not holding a fall Town Meeting. Also addressed was developing a plan relative to STM and potential need for funding that would be most beneficial to a new Finance Director/Town Accountant who takes over in position on November 1.

Charles Chivakos moved that at the present time the Finance & Advisory Committee not make a recommendation as to whether or not the Town would hold a Special Town Meeting before consultation with the Board of Selectmen. Nancy Gerardi-Walsh seconded the motion. VOTE: Unanimous.

### Review Budget Calendar

Discussion ensued about budget calendar dates that were firm for the FinCom's participation, including with HWRSD, except on January 8 with Wenham FinCom and Wenham CPC about pool project funding for the spring. Gerardi-Walsh reported on her interaction with HWRSD Assistant Superintendent for Business & Finance Jeff Sands relative to regional school budget planning.

Discussion was about how HW School Committee will vote on the school budget on February 12, and the FinCom's interest in coordinating with school officials to understand strategic goals going forward as part of a three-year plan. Also, that a policy for streamlining the handling of excess funds should be developed as an amendment to the existing HWRSD contract agreement.

Discussion addressed dates for joint CPC meeting on January 8 with Stinson planning to attend as FinCom representative to Recreation Board, and the entire Committee's availability for joint FinCom meetings on January 15, and February 10. Finance Director Deborah Nippes-Mena will reach out to Wenham regarding these dates.

### FY'14 Balance Sheet and Projected Free Cash

Nippes-Mena summarized how there are seven funds out of 115 in deficit including waste enterprise by \$6,000 since the Town is not selling enough bags. Discussion ensued about potential Free Cash, reserve set aside, upcoming projects such as Bridge Street, CIP relative to ATM, if Stabilization Fund should be brought up to 5%, applying Free Cash to lower the tax rate in FY'16, HWRSD surplus of \$1.4 million, and that the Town budget does not produce that type of surplus. Also mentioned was expected revenue from Patton property sale and

putting funding into Stabilization Fund and that 5% would be used for recreational purposes not allocated specifically for a turf field.

### **Capital Improvement Plan – 3 year Forecast & Growth**

Sprenkle mentioned how the plan has been shared in Google docs and it could be made publicly visible. He added that CIP goal is to determine average burn rate and that this could be done in a 25-year plan including maintenance and replacement of vehicles. Also addressed was draft CIP prioritization that contains benefits and feasibility metrics.

Discussion ensued about maintaining debt and capital bond rate at the same level as well as need for well thought out minimum five year plan (Town staff does not currently have the hours available to look at plan for 10 to 25 years or longer) and how this fits with taxes and tax rate. A final CIP ranking would be done by the Town manager and Selectmen as part of assessing total cost of ownership over time (i.e., replacing police cruisers every three years).

It was noted that the Town is addressing record management relative to state initiative moving forward with a document management system to store records on site and to determine what physical records of historical value would have to be kept. Also, if CPA funds would be available for this project that includes managing the Town Hall space more efficiently.

Also mentioned was how there are long term planning meetings between Selectmen and FinCom at the public safety building on August 20 and 27 at 6:30 p.m. to address three-year forecast, CIP, and FY2016 budget parameters and this will assist with the operating budget. Other items Town officials are addressing is completing Town audit, receiving and reviewing bid responses on wage classification study and finalizing new communication and IT contract.

### **Finance Director Recruitment Process**

Discussion ensued about how the FinCom would provide input to the Town manager as he recruits for the position. Nippes-Mena summarized how the job is too big based on functional work since it entails accounting, finance, general administration and personnel, benefits and insurance, as well as MIS (without the support staff for many of these functions. Conversations are continuing with HWRSD relative to a joint human resources department with the supporting communities.

She recommended the division of labor going forward could include making Dyan Katz the benefit and payroll coordinator and back up to a newly-hired Town accountant, and hiring a Finance & Administration person who would handle human resources with employees reporting from Treasury department and the Town clerk's office. Discussion addressed how a skilled town accountant and assistant town accountant could be a considered reorganization for Hamilton. The Committee acknowledged that a new employee would likely not have the experience Nippes-Mena has in the Finance Director's job.

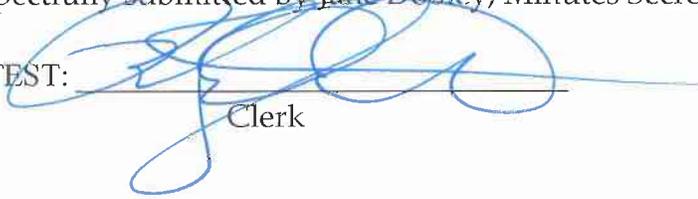
Sprenkle will solicit input from Nippes-Mena and Town Manager Michael Lombardo via email about what they believe would be the best route to replace the functions carried out by department head for Finance department. Also mentioned was that Nippes-Mena is working 50 hour weeks. In addition, that the Town will run most effectively with a small group of strong managers overseeing many individual contributors. Gerardi-Walsh described how the FinCom needs continuity from a Finance Director and skill level comparable to what the Committee is trying to accomplish. Chivakos noted that Lombardo is responsible for the job advertisement and recruitment for the position. Discussion reiterated how the FinCom needs to solicit input and work with Lombardo about the job description as soon as possible especially relative to the best staff structure.

**Topics for Next Meeting**

The next FinCom meeting on Tuesday, September 9 will address finalizing budget parameters, direction for Finance Director (possibly during August 27 meeting), Town audit, local revenue, public presentation for ATM, quarterly or monthly recap report, review of department budgets projected and actual, wage and classification study relative to salary survey done by HW Public Library, quarterly reporting from HWRSD as well as library, pool and turf field as this relates to Patton property, grant funds for joint DPW, and FinCom meeting minutes. Discussion addressed how members experiencing difficulty with receipt of Committee email will work with MIS employee Andy Wood. Sprenkle entertained a motion to adjourn at 8:30 p.m. Chivakos so moved. Stinson seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:



Clerk