

**TOWN OF HAMILTON
FINANCE & ADVISORY COMMITTEE
JUNE 10, 2013**

The Finance & Advisory Committee met at Hamilton Town Hall at 6:04 p.m. on Monday, June 10, 2013 with Chair John McWane, Charles Chivako and Rick Sprenkle present. Finance Director Deborah Nippes-Mena also present.

Call to order

Chair John McWane called the meeting to order at 6:04 p.m.

STM warrant article discussion, re: potential purchase of Pirie property

Finance Director Deborah Nippes-Mena spoke to 120 day schedule regarding the Town's right of first refusal for the Pirie property. She explained how there are three warrant article motions for Special Town Meeting where voters will decide whether or not Hamilton should purchase the Pirie property, since there is debate about borrowing versus spending the purchase money relative to use of Community Preservation Act funds and bonding. Nippes-Mena noted that a Community Preservation Committee meeting would be held before tomorrow's Special Town Meeting on the matter.

She described how the first motion was for CPC to spend \$500,000 of undesignated funds. The second motion specifies that the CPC would borrow \$500,000 and it would be spent on acquisition, legal and closing costs. The third motion consists of CPC borrowing \$400,000 and spending \$100,000. She added that there is still \$3.482 million for general BAN, \$19,800 from lots and graves funds, \$150,000 from Free Cash with \$63,000 to offset loss of tax revenue for a year (\$63,000 in property taxes were paid this year for the Pirie property).

Nippes-Mena said the warrant article was written so broadly that it includes all three motions as potential ways to purchase the Pirie property. She reiterated that CPC is going to vote tomorrow regarding spending versus borrowing for the acquisition. She added that the three motions allow for potential situation tomorrow night at STM where a citizen could amend the motion for CPC to spend money versus borrowing. The FinCom recommendation vote will be to support the article not any particular motion.

Nippes-Mena outlined the sources of funding for the potential Pirie property purchase including BANS, cemetery funds, two levels of CPA, and Free Cash (this would also address loss of property taxes). She defined usage as purchase and sale of property, closing and legal cost, issuance cost, and net BAN interest which will happen at the end of August and beginning of September and can go on local recap.

Discussion ensued about how the Town would budget \$12,000 for interest for one year and could budget more money in April for additional interest if the property is not resold by that time. Nippes-Mena explained that since Hamilton plans to sell the Pirie property after the acquisition occurs, the BANS would be taxable and the Town would pay more (half a point) for interest rate than it would for tax-exempt BANS. The CPA portion is tax-exempt bonding for land acquisition.

Discussion addressed if the Town sells the property for more than the purchase price there would have to be reconciling with CPA funds. Also, CPA monies could fund construction of recreation field. In addition, if the Town realizes a profit from the sale of the property, the Town could use it to reduce construction cost of housing units and have more affordable units, use it for recreation field, Patton Park pool improvement, Affordable Housing Trust, Hamilton Development Corporation, or buy down tax rate.

Discussion ensued about how the Town would retain ownership of a significant portion of the Pirie property after it sells most of the property and that there would be permanent trail easements. The Town would have to decide if its focus is to have a recreation field developed or more affordable housing with price point of \$350,000 as part of a mechanism to control local preference. Also addressed was how letters from potential developers were on Town's website.

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Special Town Meeting warrant article 2-1. Charles Chivakos moved that the Finance and Advisory Committee recommend favorable action on Article 2-1 and any motions 1, 2 or 3. Rick Sprenkle seconded the motion. VOTE: Unanimous.

Discussion ensued about when the FinCom would meet to finish end of year business, tentatively scheduled for Thursday, June 27 or possibly second week of July. Nippes-Mena noted that if the Pirie property purchase is voted positively then she would speak to FinCom about \$20,000 from FinCom reserve fund to

