

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting

May 8, 2019

Members Present: John Pruellage, Phil Stearns (Chair), Nick Tensen, and David Wanger.

Others Present: Joe Domelowicz, Kaleigh Paré

This Hamilton Finance and Advisory Committee meeting was called to order at 6:58 pm at the Hamilton Council on Aging Building, Bay Road, Hamilton.

Public Comment

Discussion and vote on request for funds transfer from FinCom Reserve Fund.

Two employees (Assessor and Treasurer) were leaving employment and their accumulated sick and vacation time were not included in the Budget. The ask was for \$13,900 and \$7,100 for a total of \$21,000. The expenditure was considered extraordinary and unforeseen as Town management was not informed of the retirements during the Budget process. \$80,000 remained in the FinCom Reserve Fund after \$20,000 had been used for the new e-mail system.

Motion made by Nick Tensen to approve the amount requested (\$21,031.37) for transfer from the Reserve Fund to be used for an expenditure due to extraordinary or unforeseen circumstances due to the retirement of two employees.

Seconded by John Pruellage.

Joe Domelowicz explained the two employees did not alert the Town during the Budget process. 150 days of sick and vacation time were paid at 25% for a retirement.

Vote: Unanimous in favor.

Discussion regarding the Patton Homestead Business Plan Review

Kaleigh Paré and Joe Domelowicz were present. Ms. Paré updated the list of events since the Business Plan was written. Ms. Paré described her plans on using Trails and Sails and public outreach as a way in which to advertise. Facebook and Instagram would be used by the Patton Homestead. Ms. Paré said neighbors wanted to be involved with events and wanted the bar and music to be closed at 10:00 pm.

Kaleigh Paré planned on having people visit the property the first year and then return to rent it. Ms. Paré planned on reaching out to community organizations and partnering with vendors and non-profit organizations. Joe Domelowicz said caterers and restaurants would be asked for qualifications and a list would be created of preferred vendors. Those same vendors would in turn bring business to the site for a barn or tent wedding. The concept was entitled cross marketing.

The Homestead had a 49 person capacity for indoor use because the doors opened inward. If the doors opened outward and a crash bar were installed, the capacity would be increased to 99 people. The building would need to be sprinkled and offer ADA accessibility to have a capacity over 99 people. Events would be held in the building, the barn, and stables. The barn and stables were treated as outdoor space because the doors were open during an event but the facilities were limited to seasonal use.

Event pricing would start at just under \$3,000 with stable or ground weddings costing \$350 an hour. Kaleigh Paré said this summer would not be a big money maker but noted events scheduled for teacher training, military officers, and a wedding. Food, beer, and ice cream trucks, which were charged \$25 would be present on June 1, 2019. The Hamilton Historical Society was open to the public on site. Accord would have a fund raiser during a pop up tavern night. Joe Domelowicz hoped to develop a collaborative relationship with Myopia and the Community House. IRWA (Ipswich River Watershed Association) and Greenbelt would be contacted.

Phil Stearns said he liked the actuals and noted that unused funds had been carried over. Projections for FY21, 22, and 23 showed expected revenue but as costs would change, Mr. Stearns wanted to see what would be asked for at the next Town Meetings. The breakeven point was projected for three years out. Joe Domelowicz said there would be pivot points as to how the project was performing. Kaleigh Paré and Mr. Domelowicz would return to the FinCom in September to review fall and spring bookings vs. what was projected. Mr. Stearns wanted to see balances of accounts to understand where the project was at with the reserve fund balance going forward.

John Pruellage suggested the presentation be changed with the correct number because the revenue including the \$30,000 was misleading as a projection. Quarterly revenue projections would be difficult due to the seasonality of use and that the fiscal year was in the middle of event season.

Fund raising was being done for capital improvements to the site but not for operating expenses. Joe Domelowicz thought the Town had too many other capital needs and didn't see the Patton Estate as a priority for the Town. Operating and Capital Budgets would be separate. Mr. Domelowicz would work with the Patton Homestead, Inc. Board to supplement the marketing budget. Nick Tensen thought the marketing budget seemed light. Three goals of marketing for the Homestead were noted: 1) increase the awareness, 2) presentation to the media, and 3) community relations. In response to Mr. Tensen asking if the goals were measurable, Mr. Domelowicz said there would be a quarterly review of how many people would be exposed. Kaleigh Paré would calculate how many visitors attended events, rentals, the implementation of media, and the contact list.

The \$30,000 fund was similar to an enterprise fund, according to Joe Domelowicz. Kaleigh Paré was a full time Town employee. Mark Shaw worked four hours a week on the site. A formula had been created for unallocated cost for Tim Olson, the Finance Department, and the Town Manager, which would be refunded to the Town. There was not enough in revenue to support additional staff. Joe Domelowicz said he understood the tension in the town regarding ownership of the property and would spend the next year or two to show success but if there was no forward progress, the Town would reconsider the project. If Ms. Paré was let go, the Town would need to pay unemployment to her and consider what to do with the Wenham Museum and the Historical Society.

David Wanger said he was impressed with the Town Meeting presentation and wanted to see it work. Mr. Wanger said the more information received would offset the negativity that existed in town toward the project. Joe Domelowicz hoped to prove the property had value and would pay its own keep. Nick Tensen noted that the property had a historical legacy beyond town but it needed to be financially solvent. John Pruellage asked to see an early draft of projections to determine if the assumptions made sense.

Kaleigh Paré likened the property to a Town-owned park. David Wanger suggested that Ms. Paré contact the horse community as another community outreach resource.

Discussion of Town Counsel and other litigation costs review.

Joe Domelowicz would have Town Counsel's firm look into legal costs categorized as "special matters." David Wanger asked that costs associated with 550 Highland St. and the cell tower be determined. George Hall had also been hired and supported Town Counsel's opinion regarding cell tower litigation. It was announced that the Ruling was appealed. The next step would be up to Varsity Wireless. According to Mr. Domelowicz, case law indicated that the applicant could proceed but if they lost the appeal, they would need to remove the tower at their own cost. The minority members of the Planning Board were paying for the appeal. The town negotiated the contract with Varsity Wireless and did not believe there was a statutory reason to deny the permit even though a supermajority was not reached for an approval by the Planning Board.

Nick Tensen recalled a Citizen Petition at a previous Town Meeting that approved the Town paying for the legal expense of the minority. It was determined that the Citizen Petition was non-binding. The Town covered the legal expenses of the Planning Board but not individual members. David Wanger thought the lawsuit was a farce as the plaintiff and the defendant were on the same side. The minority members were appealing that the judge ruled that they did not have standing. The appeal needed a response from Varsity Wireless and not the Town.

John Pruellage asked about recurring versus non-recurring projects. Joe Domelowicz said the legal retainer was \$35,000 a year. The one-page agreement needed to be reformed. David Wanger noted the highly competitive environment but Mr. Domelowicz said the historic

knowledge was valuable. More conversation would be held to determine the best choices for the Town.

Discussion with Town Manager on any finance related updates.

Joe Domelowicz noted the trivial increases in the Cherry Sheet estimates. The School Committee voted to take money out of their Budget and provided updated numbers for the Town. The change resulted in a reduced tax rate from 16.90 to 16.84. Phil Stearns thought the budget needs in Wenham would stop future plans for turf fields. Mr. Domelowicz thought asking parents to pay extra money for OPEB would be one thing versus asking for turf fields or a new school. The Schools and Wenham would be engaged with planning the Town's capital expenses. While it was assumed that the School would be able to obtain the needed votes for their projects, the previous Town Meeting experienced a misunderstanding that was not corrected and the needed votes were not obtained.

Joe Domelowicz said the money for the Patton Estate should be from grants and fund raising but not added to the tax rate. David Wanger noted that other communities around Hamilton were growing in population while Hamilton was declining. Mr. Wanger said Brian Stein nor the hired consultant could explain the phenomena. Wenham had more children in the schools than in previous years, which created a better financial situation for Hamilton. Mr. Domelowicz said he believed adding properties to the tax rolls would diffuse the increasing tax rate and would encourage measured growth to keep expenses in check. John Pruellage added that open space and a good school system came with a cost and many did not realize the tradeoffs. Mr. Domelowicz said adding 40 to 50 children would not increase the actual costs but the homes would share the cost with more families to pay for it.

Discussion ensued regarding the Town Clerk position. The Board of Selectmen did not put forward that the position be changed from elected to hired but worked to have a performance improvement plan and signed a letter with the Town Clerk. The Town Clerk resigned effective in the end of June. The Town Clerk would be taking vacation time between now and when she left. The Town Manager's assistant, who also resigned received a vacation payout. The Selectmen would decide at its next meeting if the Town Clerk position should be changed from elected to hired. The change might require a Town Meeting vote and ballot question. The Selectmen could appoint a part-time interim Town Clerk who would not need to be a resident of the town.

Discussion regarding Finance Committee vacancies.

David Smith had reportedly decided not to pursue a position on the FinCom due to his work with the Board of Health. Allison Jenkins also declined the invitation to consider joining the Committee. While the Board of Selectmen would nominate the next member, the Moderator would appoint the person. Phil Stearns said he was leaning toward not seeking reappointment due to the workload association with the position. John Pruellage said he would seek reappointment until a qualified person was available to replace him.

Liaison Assignment and Committee updates.

David Wanger circulated Brian Stein's response to the question regarding disparity in population trends. Mr. Stein did not feel the FinCom should be involved in the fiscal impacts of development. There were 600 respondents to a survey and recommendations would be based on public outreach. Bill Wheaton (Planning Board member and economics professor at MIT) reportedly had a different take on growth issues.

John Pruellage reported that the School Committee had discussed what happened at Wenham Town Meeting. An interim superintendent would be hired. Jeff Sands had applied for the position.

Nick Tensen said he had met with Police Chief Russ Stevens and Fire Chief Ray Brunet to talk about the on-call structure of the Fire Department. The department had 20 to 30 people to outfit and train but an unpredictable number of firemen showed up for fire calls. The group discussed how to structure a measurement of costs and once a base was established, an evaluation of on-call versus full-time firemen could be made. Mr. Tensen said it would make sense to merge with Wenham if the data could be gathered to determine the savings. The Wenham ambulance made a profit in the previous year. Hamilton used Beauport ambulance service. Mr. Tensen noted there could be a lag in response time as on-call firefighters were being hired from further away from town.

Phil Stearns discussed the Town Hall Building Committee, who were preparing for a \$500,000 to \$600,000 ask at Fall Town Meeting. The ask would be a commitment point to determine if residents wanted to pursue the project. There were two project choices being considered. Mr. Stearns explained how bond borrowing was unlike a mortgage in that an interest payment of the full amount of the bond occurred twice a year and $1/30^{\text{th}}$ of the principal was paid once a year. The payment amounts were reduced over time.

The first option would not include an exterior addition and the stair area would be lost to a meeting room and offices. The elevator would be inside the existing building. The cost has been estimated at \$8.4M or \$.46 per thousand valuation for the first year and would decline by one cent or so every year thereafter. The second option pushed the elevator outside and created more square footage for an increase cost of \$750,000. The increased tax would be \$.50 per thousand valuation for the first year and decline similarly each year thereafter. The tax rate was based on the assumption of a 5% interest rate over 30 years. Nick Tensen wondered about other competing requests such as turf fields or School needs. John Pruellage hoped the Capital Committee would be able to make a recommendation. Jack Lawrence applied to be on the Capital Committee and was expected to join the Town Hall Building Committee.

Nick Tensen asked about other alternatives including a new building in another location. It was agreed that emotions were attached to the Historic Registered Town Hall. Phil Stearns said the

Town Hall Building Committee was conscientious about not building a Town Hall that would be too small in a short time. Going paperless would be mandatory if the less expensive renovation was approved. The size of the small vault was noted. The Bay Road exterior would remain unchanged and would be under the purview of the Historic District Commission.

Approve Minutes for March 27, April 6, and April 17, 2019.

Motion made by David Wanger to approve the minutes of March 27, April 6, and April 27, 2019 with corrections as discussed.

Seconded by Nick Tensen.

Vote: Unanimous in favor.

Other topics not reasonably anticipated by the Chair.

Determine agenda for next meeting.

The next meeting would be May 29, 2019. Marisa Batista would be invited. The Budget with the School adjustments would be discussed. Joe Domelowicz would discuss legal fees. The change-over of staff would be considered. David Wanger suggested an early start to the Budget process so the Budget calendar would be reviewed. It was noted that positive comments had been received regarding the FinCom report and that it would be valuable to do again in the future.

It was announced that Hamilton was a leader in composting.

Adjournment

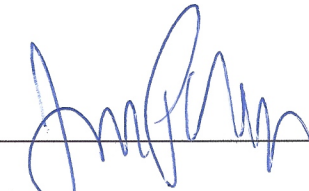
John Pruellage made motion to adjourn.

Seconded by David Wanger.

Vote: Unanimous to adjourn at 9:30.

Prepared by:

Marcie Ricker

 5/29/2019
Attest Date