

HAMILTON FINANCE AND ADVISORY COMMITTEE
Minutes of Meeting
June 26, 2019

Members Present: John Pruellage, Christina Schenk-Hargrove (via telephone), Phil Stearns (Chair), Nick Tensen, and David Wanger.

Others Present: Marisa Batista (Finance Director) and Joe Domelowicz (Town Manager)

This Hamilton Finance and Advisory Committee meeting was called to order at 7:01 pm at the Hamilton Council on Aging Building, Bay Road, Hamilton.

Public Comment

Anne Gero was present.

Discussion with and presentation from Chris LaPointe regarding Open Space economics.

Chris LaPointe (Essex County Greenbelt Association) was present. Mr. LaPointe said a body of research showed protecting open space cost a community less than residential development. The marginal cost per student was discussed. Mr. LaPointe discussed the value of ecosystem services such as the storing, filtering, and recharging of drinking water, which would reduce water treatment costs. Flood storage was improved with open space and properties that were adjacent to open space had a 10 to 15% higher value. The increased values should offset lands taken off the tax rolls, according to Mr. LaPointe. Having open space in a community was a strong driver for real estate values. Mr. LaPointe noted the human health benefits. Mr. LaPointe said the argument that towns can develop their way to fiscal stability or that open space was a drag on the economy had been debunked.

Chris LaPointe suggested a link to the summary page from the UMass update of fiscal impacts of land use of MA communities, which was an Excel spreadsheet. The methodology was limited in that it did not assign any value on the revenue side of the equation in the case that a town would need to pay for services that open space provided, such as water. Phil Stearns noted the value of open space but considered how the Town might mitigate the tax rate. Mr. LaPointe referred to downtown and suggested creating more density in the district but realized any development would be opposed by its neighbors. Having development away from transportation centers would increase vehicular trips. Mr. LaPointe referred to the study that looked at every town in New England.

Anne Gero (180 Asbury St.) discussed the Cottage Housing By-law that was defeated at Town Meeting. Ms. Gero recalled that people believed the tax base from affordable housing would not increase sufficiently to cover the services. Ms. Gero asked what type of housing could be developed that would offset the increased burden. David Wanger responded that the average home was not taxed enough to fund the per pupil cost. John Pruellage said the marginal costs of adding one student would not increase the cost by what was considered the per pupil cost as a new teacher or facilities would not need to be added for one student. Discussion ensued regarding where development could occur. Chris LaPointe added that one cottage development would be acceptable while having several would feel out of control. David Wanger said the population was declining in Hamilton. Mr. LaPointe thought young families were moving in and Ms. Gero said the senior population was increasing.

David Santomena (Highland St.) discussed the Ipswich Great Estate By-law, which could not be perfectly replicated in Hamilton. Mr. Santomena suggested the Cottage By-law approach.

Discussion regarding status of the Green Meadows facility and Community Host Agreement.

Joe Domelowicz said the developer asked for another continuance from the Planning Board and the ZBA.

Discussion regarding 3rd Quarter Report with the Town Finance Director

Marisa Batista discussed the document noting that revenues were behind the prior year (80.24% versus 75.26%). Ms. Batista added that water would not meet estimates as consumption was decreasing every year. The collection rate for taxes was 99%. Ms. Batista said a few more properties had transferred to tax title this year. The previous year had \$50,000 in Board of Health receipts but this year, receipts totaled \$39,000. The Gordon Conwell gift had not been received. Building permits had increased but did not meet the estimate. 10% of the Police Revolving Fund from police details would go to the General Fund.

Expenditures were close to last year (72.45% last year versus 71.12 % this year). The last Warrant for the year would be July 15, 2019. Marisa Batista expected two year-end transfers. The animal control officer would be calculated differently going forward. The Veteran's service administration was paid in full in July. The minutes secretary for the Selectmen was over budget. Property and casualty insurance costs were based on estimates.

Capital projects were discussed. One project would not go forward. The Town was behind with Stormwater permits. Chapter 90 funds were on a reimbursable basis. The Bridge St. culvert project could still be reimbursed once the Hazard Mitigation Plan was filed and approved by FEMA.

Retirement costs increased from 16% to 17%. \$921,000 was paid to Essex County Retirement. Insurance increased 2% with the Budget having been estimated higher. The previous year, the increase was 5.7% or 6.2%.

Special revenue funds such as the Police Revolving Fund had a \$24,000 deficit but as long as the receivables covered the deficit, there was no concern, according to Marisa Batista. Other special revenue funds were grants. The Patton Homestead Fund had \$346,000, which was generated from the sale of the property. The Recreation Revolving Fund had \$250,000 but if too many fees were collected, the Town would need to adjust the fees as the fund was not designed to accumulate but only to cover costs. The pool was a separate fund, which appeared to lose revenue because the camp program made it difficult to allocate expenditures due to invoicing. Marisa Batista thought the money could go to the General Fund if brought before Town Meeting. Nick Tensen and Phil Stearns suggested using the money to maintain facilities. Ms. Batista would research the septic loan program, which had no current loans. Funds might be available to add to the General Fund.

Marisa Batista did not know what 85% of the trust funds were for as there was no paperwork available. Ms. Batista added that every community had this problem. The treasurer did not know if the banks had knowledge of the accounts. David Wanger suggested asking Bruce Ramsey who had been moderator for several years. Christina Schenk-Hargrove said trusts needed to be registered and information might be located at the Registry of Deeds. Banks would have required a copy of the trusts in days past. Nick Tensen noted that of the \$2.7M/ \$3M only \$300,000 was unaccounted for and would end up as assets on the balance sheet. Ms. Batista said it would be possible to go through old Town Warrants to find the creation of the funds. Mr. Wanger thought it was suitable work for an intern. Joe Domelowicz said he had contacted colleges but did not receive interest.

Two departments had year-end transfers including the Recreation Department, which needed \$1,500 to pay for utility costs. Marisa Batista said there were some available funds in the health insurance budget. Ms. Batista said the revolving funds had specific purposes and could not be used. Tim Olson requested a transfer of \$10,665 from the Highway Operating Budget to the Parks Operating Budget for engineering services for drainage improvements for two areas of Patton Park.

Motion made by Nick Tensen to transfer from the Health Insurance Budget to the Recreation Fund Operating Expenses, \$1,500 for utilities costs and from the Highway Operating Expenses

to the Parks Operating Expenses, \$10,665.

Seconded by John Pruellage.

Vote: Unanimous in favor.

Marisa Batista requested a fund reversal as one retiree decided to take their vacation allotment so no payout was needed for vacation time. The retiree was not entitled to receive sick time as they had worked fewer than ten years.

Motion made by Nick Tensen to transfer back to the Reserve Fund \$7,119.21.

John Pruellage seconded.

Vote: Unanimous in favor.

Discussion with Town Manager regarding the FY21 budget calendar, finance related updates and Special Town Meeting in the fall.

Phil Stearns questioned why the Warrant hearing was not held before the Warrant went to the printer. Mr. Stearns said the FinCom wanted to be able to be informed before making recommendations. Joe Domelowicz said the final language was due the last week in August.

Mr. Stearns offered his concern about having enough time to put together a document for the public. The mailing date of the Warrant was discussed. Nick Tensen and Mr. Stearns thought the Warrant should be mailed one week before Town Meeting. Special Town Meeting would be held on October 19, 2019. The Warrant would be mailed ten to fourteen days before. The Warrant would be printed two weeks earlier or the third week in September. All members agreed that the Warrant hearing should be held the day before the final language in articles was due.

Joe Domelowicz discussed having a Home Rule Petition to allow 550 Highland St. to be removed from the tax rolls and have what had been assessed and not collected forgiven. The Selectmen had reportedly endorsed the petition. Nick Tensen asked if the petition was the only reason to have a Special Town Meeting. Marisa Batista said there was one prior year bill to be paid and transfers for three union contracts, which had been settled. The senior van also needed funding for \$10,500. Ms. Batista said the Town needed authority to transfer funds. Special Town Meeting would not have a Town Clerk article or Planning Board article. Rosemary Kennedy reportedly wanted to have an enhanced wetlands protection By-law considered. Phil Stearns said having a Special Town Meeting was expensive. David Wanger said attendance would be an issue but Joe Domelowicz thought a short Town Meeting might encourage residents to come to the next Town Meeting. John Pruellage said other towns had one Town Meeting per year. The FinCom did not see an overwhelming need for a Special Town Meeting. Mr. Domelowicz noted that the 2018 vote for 550 Highland St. was only an advisory vote and not a request for the State to take action. The Special Town Meeting would provide the Home Rule Petition.

Discussion of Town Counsel and other litigation cost review.

Joe Domelowicz said he advised Town Counsel that an agreement was no longer in effect as the Town needed a change. In February KP Law submitted a proposal. KP Law offered a review of the retainer after six months, which could be adjusted based on the level of activity. The proposal included Planning Board advice, procurement advice, contracting, calls in the middle of the night, webinars, and annual seminars on various topics. Billable hours would include work for 40B projects or litigation at a rate of \$200 per hour. KP Law, who worked exclusively in municipal law represented 150 communities. KP Law would try to settle with neighborhood groups as they opposed Planning Board decisions and try to keep the Planning Board out of lawsuits. The previous two years experienced a \$150,000 annual cost with an additional retainer of \$36,000. Another similar proposal had been received. Mr. Domelowicz suggested retaining Miyares and Harrington for water permit issues. David Wanger requested to see the draft contract before it was signed as well as the agreement with Miyares and Harrington.

Discussion regarding Town Building Committee status and voting on any recommendations.

The Town Hall Building Committee voted to approve Option 2. The Selectmen considered Option 2 but two Selectmen were not ready to vote. A straw poll indicated that there was a 2-2 preference to move the process forward, according to Joe Domelowicz.

Discussion regarding FinCom vacancies and meeting with potential candidates.

The potential candidate did not attend the meeting but Phil Stearns would contact the potential applicant to determine if they were still interested.

Discussion regarding potential election of FinCom officers for Fy20.

To be discussed at the next meeting.

Discussion regarding liaison assignments.

The FinCom discussed Green Meadows Farm and the funding of the School Resource Officer if the provisions of the Host Community Agreement were not fulfilled. Darcy Dale had reportedly asked the FinCom to look at Zoning at the landfill site and review the differential of the elected versus appointed Town Clerk position. The idea of funding an ambulance service could be explored. The concept of pay as you throw for trash collection could be considered. Nick Tensen said the downtown area could be benefited by a sewer system.

Review and approval of available minutes.

The minutes would be reviewed at the next meeting.

Determine/Discuss agenda or next meeting.

No new topics would be added. Items three and four would be removed. David Wanger recalled that the Capital Committee would be discussing increasing CPA funding from 2% to 3%, which would be a valuable discussion for the FinCom.

Other Topics Not Reasonably Anticipated as Determined by the Chair.

Adjournment

John Pruellage made motion to adjourn.

Seconded by Nick Tensen.

Vote: Unanimous to adjourn at 9:53.

Prepared by:

Marcie Ricker

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8/17/19

Attest _____ Date _____