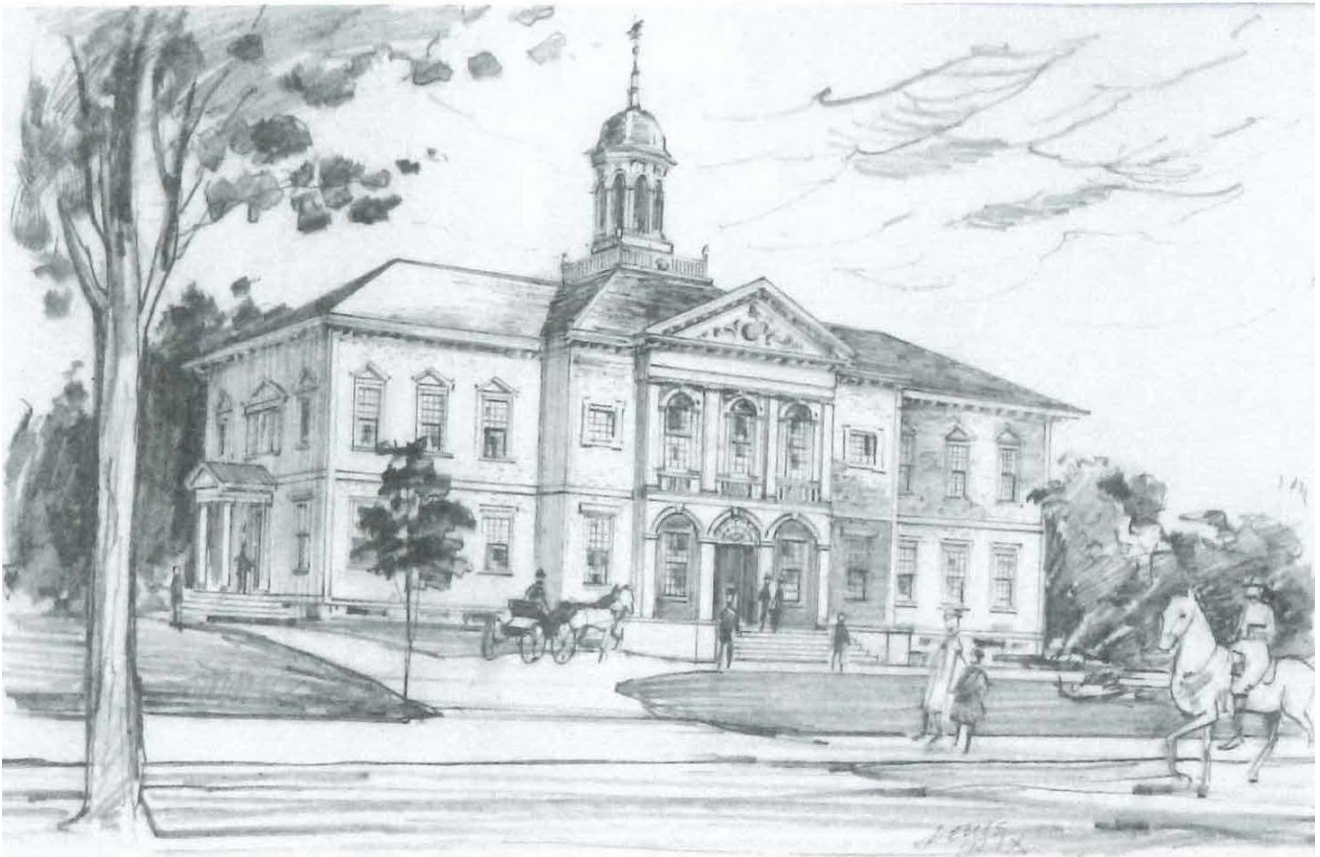


Town of Hamilton Massachusetts

Annual Town Report



2020

Town of Hamilton

Massachusetts

July 1, 2019 through June 30, 2020



Board of Selectmen

Jeffrey Hubbard, Chair

Rosemary Kennedy, Vice-Chair

Darcy Dale, Clerk

Shawn Farrell, Selectman

William Olson, Selectman

Town Manager

Joseph J. Domelowicz Jr.

Incorporated: June 21, 1793

Government
Open Town Meeting
Five-member Board of Selectmen with Town Manager

Annual Town Meeting
First Saturday in April

Annual Town Election
First Thursday in April following Town Meeting

Town Census: 8,051

Area: 14.99 Square Miles

Fiscal 2019 Tax Rate: \$16.98

Tax Levy: \$28,985,808

Congressional District: Sixth
Senatorial District: First Essex and Middlesex
Representative District: Fourth Essex
Councilor District: Fifth

State Officials
Congressman: Seth Moulton, Representative 6th District
Senator: Bruce E. Tarr, Gloucester
Representative, Brad Hill, Ipswich

Schools:
Winthrop Elementary School (PK-5)
Cutler Elementary School (K-5)
Buker Elementary School K-5)
Miles River Middle School (6-8)
Hamilton-Wenham Regional High School (9-12)

Town Website
www.hamiltonma.gov

Town Hall Hours
Monday: 8:00 AM - 4:30PM
Tuesday: 8:00AM - 6:30PM
Wednesday: 8:00AM - 4:30PM
Thursday: 8:00AM - 4:30PM
Friday: 8:00AM - 12:30PM

2020 Hamilton Elected Officials

BOARD OF SELECTMEN

(Elected 3 year term)

Rosemary Kennedy	2022
Darcy Dale	2022
Jeffrey Miles Hubbard	2020
Shawn M. Farrell, Chairman	2021
William A. Olson	2021

TOWN CLERK

(Elected 3 year term)

Sharon George (Interim)	2020
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BOARD OF ASSESSORS

(Elected 3 year term)

Chris Campbell	2022
Joseph Shaktman	2020
Steven G. Ozahowski, Chair	2021

PLANNING BOARD

(Elected 3 year term) Patrick Reffett, Coordinator

Daniel Hamm	2022
Will Wheaton	2022
Janel Curry	2022
Peter B. Clark,	2020
Richard L. Boroff	2020
Brian D. Stein, Chairman	2021
Frederick G. Mitchell	2021

HOUSING AUTHORITY

(Elected 5 year term) Kate McGuire (Coordinator)

Leon Purington, State Appointed	2013
Theresa Mimi Fanning	2024
Clarence N. Trepanier	2020
Sherryl L. Leonard	2021
Michelle F. Horgan	2022

TOWN MODERATOR

(Elected 1 year term)

William Bowler	2020
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H-W LIBRARY TRUSTEE

(Elected 3 year term)

Judith Bubriski (Wenham)	2022
Nichole R. Gray (Hamilton)	2022
Dolores M. Boghdan (Hamilton)	2020
Dorothy A. Goudie (Wenham)	2020
Dianne L. Johnson (Hamilton)	2021
Julie Clay (Wenham)	2021

H-W REGIONAL SCHOOL COMMITTEE **(Elected 3 year term)**

David Polito	2022	W
Jeanise A. Bertrand	2022	W
Michelle Bailey	2022	W
Gene K. Lee	2020	H
Michelle Horgan	2020	H
Peter Alan Wolczik, Jr	2021	W
Stacey L. Metternick	2021	W



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Board of Selectmen

As the Chairman of the Board of Selectmen, I am pleased to provide the following overview for the FY '2020 Annual Report.

The Board of Selectmen functions as the Chief Executive body of the Town. Its five members are elected to three-year terms with one or two seats up for election each year. The Board acts as the chief policy-making body of the Town and directly supervises the activities of the Town Manager. The Town Manager is responsible for supervising the day-to-day operation of all town departments falling under the direct control of the Board of Selectmen. The Board of Selectmen typically meets every other Monday evening at 6:30 p.m. Meetings are usually held in the Memorial Room at Hamilton Town Hall. Meetings are broadcast live on your cable public access station. Comcast subscribers can view the meeting on Channel 10 and Verizon subscribers can view it on Channel 37 or meetings can be viewed after the fact on YouTube. However, this past year the Board of Selectmen and most of the world has moved to use video conferencing for its meetings because of the Covid-19 Global Pandemic and safety precautions to not spread the virus.

The pandemic has caused us as a town to adapt to change and overcome many challenges in the past year that were caused by the disruption of normalcy. We have been able to continue to serve our community's needs and be proactive to help our citizens to deal with the effects of the pandemic. We organized COVID testing clinics for citizens, partnered with other towns to run vaccine clinics for our first responders, worked to have vaccine clinics for our residents, and continued to provide quality services for our residents. We worked closely with our Board of Health and Public Health Nurse to inform the public of safety protocols and track the spread of the virus in our community. We worked closely with them to hold two safe and successful town meetings under a large tent so that we could continue to do town business. We will be doing the same for the third time for the upcoming annual town meeting. The Board of Health has put in countless hours to help keep our residents informed and safe and we are truly thankful. Our police and firefighters have been right there on the front lines and we are appreciative of the sacrifices they have made over the last year to keep our community safe. Ken "Kirby" Brand retired from the fire department after 42 years of service to our community. He filled in for our Chief Ray Burnett while he was out on leave and was able to retire as chief. We thank him for his dedication to Hamilton and wish him well in his retirement.

We maintained our AAA bond rating and had a clean audit by CliftonLarsonAllen LLP again. We have been following our new financial policies and are at or above the recommended minimums on our stabilization funds. We continue to fund our OPEB (Other Post Employee Benefits) trust and are on track with our timeline to have it fully funded in the future. The board decided to make composting mandatory in town for all residents to help keep costs down for solid waste tipping fees. Compost tipping fees are about half of the cost of solid waste tipping fees. The board felt that it was a win-win situation, we could save taxpayers money and be environmentally responsible at the same time. As a small town, to help save money we have worked to regionalize many of our services; schools, library, human resources, inspectional services, veterans' services, our energy agent, and recreation are some of the joint ventures we are engaged in and are among if not the best in the region.

We brokered a licensing agreement with Inc.ubate, an entity that rents flexible office space for use of the Patton Homestead. It will generate much-needed revenue to help make the Homestead sustainable.

The Funding that was approved at town meeting to help improve our Water plant with upgrades to pretreat our water, to help filter out more organic material (TTHMs), before it is treated will be built soon. We have chosen a system that uses granular activated carbon (GAC). The town continues to have water bans based on water levels in the Ipswich River, our main source of water. The Ipswich River was just named in the top ten of the countries most endangered rivers according to American Rivers a national conservation group. We continue to look for water sources in the Greater Coastal Basin to alleviate

Board of Selectmen Cont.

some of our water supply issues. We have also begun to look into the possibility of joining surrounding towns like Beverly's water distribution system.

The 550 Highland Home Rule Petition was approved at Special Town Meeting in October 2019 and has received approval from the state. This makes the DCR conservator's house on the Bradley Palmer State park property tax-exempt as long as the house remains up kept and in the DCR Curatorship program.

The Ameresco Solar Array construction was completed at the former landfill site and had some delays due to the pandemic and will be online soon giving around \$20,000 a year in revenue to the town.

The Cell Phone Tower behind Town Hall is constructed and the first cell phone array for Verizon will be installed shortly and will begin to generate revenue for the town while providing better cell coverage for our residents.

In the wake of unrest over the killing of George Floyd and other human rights issues, the board established a Human Rights Committee to address issues in the community and spread the positive message of inclusion and tolerance.

Our town hall renovation project had support at town meeting but after town meeting lost at the ballot for the debt exclusion. A lease agreement of \$1 for using space at Gordon Conwell Theological Seminary for a temporary town hall while the renovations are being done was approved at special town meeting. The Town Hall Renovation Committee has found more efficiencies in the project to lower the cost and the CPC approved bringing a grant request to annual town meeting for additional funding for the project. We are hopeful it will pass and the project can move forward. It is long overdue.

Special town meeting approved \$150,000 to create a new master plan to guide the future direction of Hamilton. A steering committee is in the process of being formed to help guide the creation of the plan with a consultant. We hope to have a lot of community involvement in making the decisions that will impact the direction Hamilton goes in the future.

We received a Shared Streets and Spaces grant for \$65,000 from the Dept. of Transportation to assist Hamilton in meeting our needs for more and safer outdoor recreation, commerce, community activities, and mobility. The money will be used to make improvements to downtown and Patton Park to improve the user experience and build community.

The Board of Selectmen worked at improving communication between different groups this year. We worked with the Hamilton Wenham School Committee and administration more than we have in the past to lower budgets and avoid an override. We had several joint meetings with the Wenham Board of Selectmen to discuss common goals and shared services. We look forward to working with them in the future to accomplish common goals. A small group was formed to help improve communication with the public. As a result, we have improved the town's digital newsletter, began an Instagram account, started posting videos by town staff of information to social media, increased the town's outreach on social media, and are working to improve the town website. Another part of improving communication was the formation of an umbrella group consisting of all the board chairs or a representative of that board to share and discuss what each group is working on. This group will meet several times over the year to help eliminate any siloing of information.

The board finished updating the Street Acceptance Policy/Converting Private Ways Policy. Which changed the way we look at accepting streets that had been previously private. Previous to this change the town would have been responsible for paying to update any streets to our standards, this change puts the onus on the residents of the development to bring the road up to town standards.

Board of Selectmen Cont.

Our Affordable Housing Trust completed an updated Housing Production Plan recently to make sure we are doing all we can to become compliant with the States 40B Laws and make Hamilton a welcoming place for people of diverse economic and racial backgrounds. They have also partnered with Habitat for Humanity to build 7 units of affordable housing on Asbury Street.

The Hamilton Development Corporation found a developer, Traggorth, to develop the property at 59/63 Willow Street into 18 rental units of which ½ will be affordable. They have begun the construction on the site and work will be in full swing within the next few months. This project will help towards our Affordable housing goal, as all 18 units will count towards the affordable goal of 10%. Several other 40B projects are starting to be on the horizon and we will work with the developers to get what is best for Hamilton.

The Hamilton Wenham School District hired a new Superintendent, Mary Beth Banios, and a new Assistant Superintendent of Finance and Administration, Vinny Leone. We are working on improving our relationship with the Hamilton Wenham School Committee by having more joint meetings to understand each other's goals and the financial impact of each other's needs to help our taxpayers and to maintain a high-ranking school district.

We welcome the input of all our residents with participatory meetings, surveys, community events, and many appointed boards and committees.

As always, the Board of Selectmen encourages residents to become involved and informed about the issues facing our Town. We are available to answer questions, provide background and context to any issue, and we welcome any input, questions, ideas, and any engagement. The more residents learn and participate, the stronger our community becomes. I and the Board wish to acknowledge and thank the many citizens of Hamilton who volunteer countless hours of community service as members of appointed boards and commissions. The Board also would like to thank all the excellent employees who keep our town running so well. And, of course, we thank the taxpayers of Hamilton who provide the funds to pay for the services that make our town such a wonderful place to live.

On behalf of the BOS, we appreciate you taking the time to read our town report.

Thank you.

Respectfully,

Shawn Farrell Chair Hamilton Select Board

Finance & Advisory Committee

The Finance and Advisory Committee (“FinCom”) consists of five registered voters who serve without compensation for three-year terms. Members are appointed by the Town Moderator and approved by the Board of Selectmen. In addition to reviewing the Town’s finances and making budget recommendations, FinCom is statutorily responsible for considering “any or all municipal questions for the purpose of making reports or recommendations to the town.” Although financial backgrounds are useful for this committee, it is by no means a pre-requisite and we welcome members without this background. We always value differing opinions and perspectives, especially when they stem from an overwhelming desire to improve the town and better serve its residents. We are currently looking for associate members and will likely be needing full-voting members in the near future. Notifications of openings are posted on the town website and by the Board of Selectmen and, even if you are not a member, we always welcome the input of the public.

FinCom is involved in the development and review of all aspects of the town operating budget including revenues, expenses, capital needs, related financing initiatives and the establishment and maintenance of reserve funds. We begin the annual budget process in late fall for the budget and capital plan that will be presented to voters at annual Town Meeting the following spring. Over the past several years we have worked closely with Joe Domelowicz, the Town Manager, and Marisa Batista, the Town’s former Finance Director, in developing these budgets and would like to thank them both for their assistance, transparency and responsiveness in providing the data and answers to all the questions that arise during budget season. Although Ms. Batista recently left her position for another opportunity, her work for, and dedication to, our committee was extraordinary, and we wish her well in her future endeavors.

As part of the budget process, a member of FinCom meets with each department head to understand and evaluate every aspect of their budget. We appreciate the diligent efforts of all the department heads in maintaining discipline over their expenses while maximizing as much value as possible from their limited resources. In light of the COVID-19 pandemic, our current FY21 town operating budget actually decreased by 0.6% compared to FY20, after netting out reserve fund transfers which are cash and tax rate neutral. Unfortunately, these cuts made out of desperation in FY21 are not sustainable without cutting services to the Town, and we anticipate an increase in the FY22 budget.

Our process is a bit different with respect to the School District budget. As an autonomous regional school district, the Hamilton-Wenham Regional School District (HWRSD) ultimately presents its budget request as a single assessment to the two towns, which is proportioned based on enrollment. We do, however, meet with the HWRSD Administration and School Committee to understand as much as possible about the details of their budgets and constraints, and convey Town expectations regarding our overall budget. While we are often at odds about the appropriate level of spending, we have made strides with the School Committee and the new HWRSD administration to increase the level of transparency and discuss budgetary issue with a spirit of compromise. In the face of a potential revenue shortfall, which fortunately did not come to pass, and increased expenses to provide level services, the FY21 HWRSD Budget assessment for the Town increased approximately 7.3%. While we do not anticipate as large an increase in FY22, we do anticipate an increase of approximately 5% when factoring a shift of enrollment towards Hamilton. Overall, the HWRSD accounts for approximately 60% of our Town’s annual combined budget and has been rising relative to the Town budget in recent years. While we acknowledge the vital importance of a high-functioning school district to Town and its importance to overall property valuations, it should be noted that at any given time only 30% of households (and potentially closer to 20%) actually utilize its services.

In addition to our budget and finance work, FinCom also makes a recommendation to the residents of the Town on every Warrant article proposed at town meetings. We take our responsibility in this regard very seriously. As such, we perform our

Finance & Advisory Committee Cont.

due diligence before making any formal recommendations. This includes welcoming proponents and opponents of the various articles to our meetings, so that each side can educate us before we make our recommendation. All meetings are posted on the town website and citizens are encouraged to attend and participate. Although it is not always possible, we endeavor to reach consensus within our committee before making our final recommendation. While our ultimate recommendation on an issue may be boiled down to a “Yes” or a “No”, not every issue is that cut and dry for us. Accordingly, we also publish our written recommendations with the Town Warrant which go into the detailed reasons for our recommendation, including any qualifications or dissenting opinions that we may have. We urge you to read these prior to Town Meeting, as we believe that they often may provide you with greater enlightenment than our ultimate recommendation.

Similarly, in assessing the town’s current financial situation, the answer is a complicated one that is not served by oversimplification. On the one hand, there is much to be pleased about. The Town has a AAA bond rating, which allows us to borrow at attractive rates. Property valuations rose 1.7% in 2020, even in the throes of an unsettling pandemic. All our financial reserves and our available free cash are consistent with the Town’s financial policies and at the levels recommended by the Massachusetts Municipal Association, including a recently established capital stabilization fund. We continue to set aside funds to meet the growing unfunded Other Post-Employment Benefits (OPEB) liability that will only continue to rise in cost in the coming decades. Overall, this has been the result of a lot of work and discipline by Town employees, who have repeatedly sought out economic efficiencies in the services that our Town provides.

However, our Town is not without its economic challenges, and FinCom believes things will become more challenging in the future. After several years of improvement, our property tax rate has risen in recent years, with a current rate of \$17.51 per \$1,000 valuation as of last December, up \$0.53 from the year before. When coupled with increased valuations, this translates to an additional \$431.75 on the tax bill of a median valued home. Furthermore, while this rate is already considered high when compared to many neighboring municipalities, we anticipate that it will continue to rise, with next years proposed budget likely to result in a significant increase on this rate without any relief in sight. Several factors help explain this, but ultimately it is a structural issue for the town that is not going away any time soon. It is primarily a result of the fact that: 1) we have a high-functioning school district, which is increasingly more expensive to maintain, 2) we value our open-space and agricultural land, which generates little or no tax revenue, and 3) we do not have significant commercial development to mitigate these factors. Accordingly, the burden of paying for the Town’s services and school district falls on the residential taxpayer, whose taxes account for over 90% of the revenue that the town must raise. In addition, while the state does provide levels of aid to every Town in the Commonwealth, we do not generally qualify as “high-need” and we certainly do not see a disproportionate amount of aid relative to other Towns.

In addition to the relatively high tax rate, our Town is on the verge of requiring Proposition 2½ override votes by special election in order to pass future budgets. In basic terms, Proposition 2½ limits spending increases to 2½% annually, although annual spending under this limit can be carried over for future years. Although the Town had amassed approximately \$2.9M in unused levy capacity as of FY2018, spending in recent years has all but exhausted this unused capacity and we forecast that this year’s budget will likely use up the remaining capacity and could even require an override. Without unused capacity and with recent spending levels averaging over 5% in recent years, future Prop 2½ overrides will become inevitable and our tax rate will rise to even higher levels. Our immediate neighbor and partner in many respects, Wenham, is even in more dire financial shape with a tax rate of \$19.68 per thousand and a much lower level of reserves than Hamilton. In addition, they have had to pass a series of Prop 2½ overrides these past few years and are facing the prospect of additional overrides in the

Finance & Advisory Committee Cont.

future. Although we have adequate reserves, FinCom is strongly opposed to using these financial reserves to avoid overrides, pay for operating expenses or otherwise balance the budget as they are short-term measures which are not sustainable and mask the true spending level of the Town while decreasing its overall fiscal health. Eventually the bill will come due, and it won't be pretty.

Even more sobering, is that we as a town have many future capital needs that are going to require significant funds. We have a Town Hall that is in desperate need of renovation and requires compliance with ADA regulations. Our School facilities are also aging, in serious need of modernization and potentially need to be consolidated based on current enrollment trends. Finally, our water infrastructure requires additional funding and given the scarcity of water, alternate water sources need to be explored. All of these are legitimate uses of funds and the problems they address will not go away by ignoring them and will likely be exacerbated by delay.

Ultimately the Town is at crossroads and we will need to make many difficult decisions. Given the structural challenges of our budget, sustaining our current level of spending and meeting our considerable capital needs will result in higher taxes. Too often issues are considered by the Town and its residents in a vacuum without looking at the big picture. Given our limited resources, these issues are necessarily interrelated, and tradeoffs will have to be made. We cannot expect a high functioning school district and the same level of Town services, while limiting development and revenue opportunities, without seeing our tax rate increase.

Accordingly, the current focus of FinCom is to drive increased levels of collaboration at all levels to aid in this decision-making process. One aspect of this is to better educate the community as to budgetary tradeoffs by building longer-term forecast models which can paint a picture of where we are headed, and perhaps allow us to make more-informed decisions. Related to that, is our on-going collaboration with the recently formed Hamilton Capital Committee which advises the Town Manager on short-term and long-term capital priorities and planning, by drawing on critical input from residents of the Town. In addition, we plan on taking an active role in the forthcoming Master Plan process, which is a vital part of longer-term planning for the town, and in an "umbrella committee" that will bring together representatives of most town committees so that we can start to tackle these issues in an efficient manner. Finally, although there are limited options available in the short-term, we are always willing to explore ways in which we can increase the revenue of the Town, be it through potential development, better utilization of Town assets or otherwise.

Although there are challenges ahead of us, we are confident that the residents of our great Town can rise above the temptation to think only out of self-interest and can approach divisive issues with a sense of compromise.

Respectfully Submitted,

John Pruellage (Chair)

Christina Schenk-Hargrove (Vice Chair)

Valerie McCormack (Secretary)

David Wanger

Nick Tensen

Patton Homestead & Patton Homestead Inc.

The historic Patton Homestead is a community asset where the Hamilton community and beyond can enrich their lives through cultural events, seasonal festivals, military and veterans focused programming, recreational use, private rentals, and other activities

The Patton Homestead director, Kaleigh Paré Shaughnessy, oversees the public and private events on the Homestead property, as well as the preservation efforts. She reports to the Town Manager.

Patton Homestead Inc. is an independent 501(c)3 non-profit which signed an agreement in August 2018 to help advise the Town relative to the Homestead and to fundraise for the property's capital and programming needs. Their 8-member Board of Directors includes residents of Hamilton and other towns. Their Directors have expertise and connections in public relations, the military community, nonprofit management, state and local government, historic preservation, and other areas. Their website is <https://pattonhomestead.org/>.

July 2019 through June 2020 had its challenges and successes. An estimated 2,000 people visited the Patton Homestead (or participated offsite) for organized events in FY20.

- These included large events like Military Service Day in July 2019, Kite Flying Day in September 2019, the Purple Heart Trail 10K & 1K road race in November 2019, and the Battle of the Bulge 75th Anniversary lecture in January 2020.
- Smaller events reach specialized audiences, such as West Point Alumni picnic in July 2019, Early Childhood Partners story time events in September and December 2019, and group visits from the Manchester Women's Club, and Jewish War Veterans Post 220.
- Three outside organizations requested the director travel to their group to speak about the Patton Homestead: The Ipswich Museum in September 2019, Beverly Kiwanis Club in January 2020, and the Wenham Museum also in January 2020.
- Like other organizations, Covid-19 put many of the Patton Homestead's activities on paused and changed the way we did some. One early success from during the shutdown was the outdoor Story Walks in late March / early April 2020. The Homestead was able to borrow the yard-sign style children's picture books called Story Walks from Birth to Three in Ipswich. Each page of the books was printed on a yard sign and the signs were spaced about 20 paces apart throughout the yard of the Homestead to allow families a chance to read together, in the fresh air, and social distance from other groups. About 100 kids and adults participated.

Priorities for the next year

- **Covid-19 and gathering restrictions made operating an event space particularly difficult this past year.** Our primary goal of becoming a self-sustaining community space has not changed, but the ways in which we achieve that have. We've recently started a partnership with Inc.ubate Coworking (through a licensing agreement) to turn unused rooms on the second and third floor into flexible office space for Inc.ubate members. The quarterly revenue from the Inc.ubate deal, along with increased visibility of the property (and the event rentals we expect will follow) will help put the Homestead in a better financial position.
- **Upgrades and renovations to the carriage bay of the stables for event uses continue.** After a delayed start (due to school closures), the electrical students at Essex North Shore Aggie Tech have started to clean up old wiring and provide better lighting to the carriage bay of the stables. Roof repairs and painting will follow shortly.

Patton Homestead & Patton Homestead Inc. Cont.

- **Increased income from private and public events.** As mentioned above, we expect once gathering restrictions are lifted and vaccines are available to all, people will begin to plan private events like weddings, reunions, and other events again. The increased foot traffic to the property that Inc.ubate members will bring, will also help us to increase the number of paid events taking place at the Patton Homestead.
- **Landscaping and gardening improvements.** The goal is to highlight the historic landscaping features put in place by the Patton family, such as named trees and the historic rose garden, while increasing accessibility to the property for everyone.
- **Continuing to build partnerships across Hamilton, the North Shore, and beyond.** We can't thank our partners enough for the work they have done on behalf of and in conjunction with the Patton Homestead this past year. Special thanks to Hamilton Historical Society, Inc.ubate Coworking, Patton Homestead Inc., and the Wenham Museum. Over the next year, we're prioritizing relationship building with partners both in Hamilton and beyond.

There were no personnel changes during the Fiscal Year 2020. The Patton Homestead would like to acknowledge the help of staff in other Town departments for their assistance in working through challenges, organizing events, and keeping the property clean, neat, and safe.

Kaleigh Paré Shaughnessy

Director of Patton Homestead

kpare@hamiltonma.gov

978-626-0020

<https://www.hamiltonma.gov/about/patton-homestead/>



Kite Flying Day (September 2019) at the Patton Homestead



Story Walk (March/April 2020) at the Patton Homestead

Hamilton Historical Society

Hamilton Historical Society had a full schedule of events for 2020. Our plans included a speaker on Maritime History, an exhibition for Military Day and an Open House for our residents. Everything changed on March 13, 2020. Our world was transformed by the Covid-19 Pandemic. Everything was cancelled.

The purpose of the Hamilton Historical Society is to preserve the history of the Town of Hamilton and we were presented with a challenge and an opportunity. We felt a great responsibility to create an account of Hamilton during the Pandemic.

Our challenge was how to chronicle this in the best way. Our board met in the chilly barn at the Patton Homestead, masked and socially distanced. We had three major goals. One to record this historic time, second was to keep up communication with our members and lastly to plan for the future. There was a lively discussion about how to proceed. We decided to create a pictorial journal of how Hamilton carried on during this difficult time. We reached out to the Hamilton-Wenham Library, Hamilton-Wenham Community House, H-W Cam, local photographer Jay Burnham and Patton Homestead Director Kaleigh Pare. All agreed to pool our photographs for a presentation to the community.

We have published three newsletters for our membership. While our Society has been closed, to the public, since March, our membership continues to increase.

Our schedule for 2021 is tentative. It is hard to plan, not knowing what Federal, State and Local regulations would be in place. We will photograph all downtown businesses for our archives. The "Hamilton 2020" project will now be "Hamilton 2021".

We are requesting Town Government and residents to submit any photos of life during quarantine to hhs@hamiltonma.gov.

My sincere thanks to Patton Homestead Director Kaleigh and to an engaged Board of Directors.

Respectfully submitted,

Anne Marie Cullen, President

Hamilton Historical Society

Town Clerk

The primary roles of the Town Clerk include Chief Election Official, Recording Officer, Public Records Officer, Registrar of Vital Records, Licensing Officer, and Public Information Officer. The elected Town Clerk has duties and responsibilities under the jurisdiction of the Secretary of State, the Attorney General, the Department of Public Health Registrar of Vital Records, the Office of Campaign and Political Finance, the State Ethics Commission, the Department of Revenue Division of Local Services, the Jury Commissioner, and the Office of the State Fire Marshall.

As the Chief Election Official the Clerk oversees all aspects of local and state elections including voter registration, the processing of nomination papers, and the certification of election results to the Secretary of State. The Clerk also conducts the annual town census, issues the annual street list, and assists the Jury Commissioner with the preparation of the jury list. In response to the COVID-19 pandemic and a commitment to ensuring the safety of voters, during calendar year 2020, a presidential election year, the responsibilities of the Town Clerk was expanded to include vote by mail and expanded in-person early voting. The November 3, 2020 State/Presidential Election Day responsibilities became more than 14 days of responsibility to provide expanded voter opportunities.

As Recording Officer the Clerk is the official recorder of Town Meeting proceedings and responsible for certifying all official actions of the Town including Town Meeting legislation and appropriations, Planning and Zoning Board of Appeals' decisions, and the signing of all notes for borrowing, all to ensure compliance with legal requirements.

The Town Clerk, as the Public Records Officer, is responsible for swearing into office all elected officials and board and committee appointments, posting meeting agendas of government bodies, and informing officials of Open Meeting Law, State Ethics/Conflict of Interest Law, and Campaign Finance Law administrative and filing requirements.

As the Registrar of Vital Records the Clerk registers all vital events (births, deaths, marriages and adoptions) occurring within Hamilton and those events occurring elsewhere to Hamilton residents. The Clerk provides the public with certified copies, with the town seal, of requested vital records.

As Licensing Officer the Clerk's Office issues marriage licenses, raffle/bazaar permits, dog licenses, kennel licenses, and business certificates. And as Public Information Officer the Clerk serves as a direct link between residents, local and state government, and various boards and committees.

Calendar Year Data:

	2020	2019
Town Population (Dec 31)	7871	7854
Registered Voters (Dec 31)	5971	5829
Marriage Intentions Filed	34	20
Marriage Licenses Issued	29	20
Births Recorded	71	85
Burial Permits	21	15
Deaths Recorded	62	46
Dog Licenses Issued	1115	1137
Kennel Licenses Issued	4	4
Business Certificates Issued	34	38
Raffle/Bazaar Permits Issued	3	7

Elections and Town Meetings

In calendar year 2020 we had two Town Meetings, an Annual Town Election, and three State Elections. The minutes and results are on file in the Town Clerk's Office and on the Town Clerks web page.

Town Clerk Cont.

March 3, 2020 **Presidential Primary Election** (in-person early voting February 24 – 28):

- 2571 voters or 50.7% of 5067 registered voters

June 20, 2020 **Annual Town Meeting**:

- 532 voters or 10.4% of 5105 registered voters

June 25, 2020 **Annual Town Election**:

- 1004 voters or 18.2% of 5523 registered voters

September 1, 2020 **MA State Primary Election** (in-person early voting August 22 – 28):

- 2355 voters or 40% of 5861 registered voters
 - 60% voted early (1200 mailed ballots, 200 in-person)
 - 40% voted on Election Day

November 3, 2020 **MA State Election** (in-person early voting October 17 – 30):

- 5028 voters or 84.1% of 5976 registered voters
 - 70.5% voted early (2000 mailed ballots, 1500 in-person)
 - 29.5% voted on Election Day

November 14, 2020 **Special Town Meeting**:

- 129 voters or 2.1% of 5977 registered voters

Respectfully submitted,

Carin A. Kale
Town Clerk



To the Honorable Board of Selectmen and the Citizens of Hamilton:

I am pleased to offer you this annual report highlighting the activities and accomplishments of your Police Department during the calendar year of 2020.

This past year proved to be a busy year for the police department. COVID 19 not only changed all of our lives on a personal level, it also had an effect on how we policed our town. We continue to operate as a full-service "Community Policing Agency". We have, and always will, welcome and encourage citizen interaction and we look forward to all of your comments. We have been a fully accredited Police Department by the Massachusetts Police Accreditation Commission since 2012 and are scheduled for a reaccreditation assessment in May of 2021. Being an accredited department requires us to continuously evaluate and update our policies and procedures to meet modern day best practices for our police as well as the town of Hamilton.

As a result of COVID restrictions, we were unable to hold several of our annual events. However, in December we held our Christmas Toy Drive which was an enormous success. As a result of everyone's kindness and giving spirit, we collected 1500 toys, making it one of our best toy drives to date. This year, toys collected went to the Shriner's Hospital to benefit children, who unfortunately were not able to be home for Christmas. They also went to local families who may have been experiencing financial difficulties.

Above and beyond the state mandated police yearly in-service training, Hamilton Police Officers have attended specialty training to include classes on "Implicit Bias" and "Police Reform". We have also received training on new laws and trends resulting in better service to the citizens of Hamilton. We will continue to build upon our commitment to the community, focusing on promoting a safe environment through a police-citizen partnership with an emphasis on mutual trust, integrity, fairness, honesty and professionalism.

We also had two retirements this year, Sergeant Karen Wallace and Officer Brian Shaw. Both of these officers served over 30+ years in Hamilton and will be greatly missed. On behalf of the community, the Hamilton Police Department and myself, I would like to thank them for their dedicated service and wish them a long and healthy retirement. This past year we also had some new officers join our ranks, Officer Gina Bertelli, Officer Anthony Mastrangelo and Officer Jessica Eng. We welcome and wish them the best of luck as they embark upon their careers in Hamilton.

Although there was a slight decline in the overall calls for service, statistics indicate that property crimes in Hamilton were slightly higher in 2020 verses 2019. As a result, we are asking all citizens to remain vigilant and call us immediately if they detect anything suspicious in nature or out of the ordinary. By continuing to collaborate together, we can better serve and protect our community. Although I consider Hamilton a very safe town to live in and raise a family, I am still encouraging all residents to lock their homes and vehicles.

I would be remiss if I did not take this opportunity to thank the men and women who make up our Public Safety Team. I am extremely proud of each of our police officers and dispatchers and would like to thank them for their dedication and compassion as they perform their duties each day.

We will continue to provide Hamilton residents and guests with the highest level of professional law enforcement services possible. We will strive for crime reduction through proven techniques and approaches. Solving quality of life issues and working closely with the public is our goal. I as well as all Hamilton Officers and Dispatchers sincerely appreciate the support we receive from our community. It is this cooperative effort that makes our community a special place to live and work.

Hamilton Police Department Cont.

On behalf of the Public Safety Team, we remain thankful to our residents for their unwavering support and for their endless acts of appreciation shown to us throughout the year. Please know that we remain committed to providing you with the best services possible and look forward to serving you in 2021.

Respectfully Submitted,

Russell M. Stevens

Russell M. Stevens

Chief of Police

Classification 2020			
Motor Vehicle Citations Warnings	269	Crimes Against Property	120
Motor Vehicle Citations Civil	52	Crimes Against Society	34
Motor Vehicle Citations Criminal Complaints	88	Marijuana Citations	X
Motor Vehicle Citation Arrests	13	Water Citations	X
Operating Under the Influence	2	Municipal Citations	1
Motor Vehicle Verbal	550	Animal Calls	300
Parking Tickets	8	Medical Calls	372
Motor Vehicle Accidents Total	69	Alarms	225
Motor Vehicle Accidents Investigated	57	Pistol Permits/FID Cards.	147
Crimes Against Persons	15		

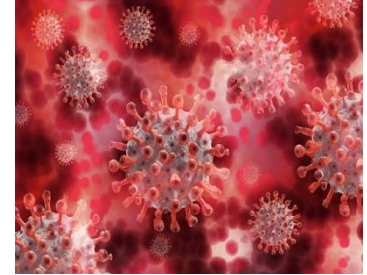
Total Arrests	66
Traffic Stops	720
Total Calls for Service	17071

Hamilton Fire Department

This year has been unprecedented as I look back at what has transpired over the past 12 months. The first two months of 2020 started off as expected for the department. However, just when I thought it was going to be relatively uneventful, I was proven wrong. A disease that started in Wuhan, China was making its way into the United States at a rapid pace and once the month of March was here, the COVID -19 Coronavirus would change our lives for the unforeseeable future.

Some of the many COVID related tasks that we undertook as a result of these difficult times:

- Developed policies and procedures to keep fire personnel safe.
- Acquired much needed personal protective gear that was in short supplies for the town employees i.e. Police, Fire, DPW and Town Hall.
- Responded to COVID-19 patients in our community while as first responders.
- Planned and opened up an emergency testing site at the Miles River Middle School.
- Members of the Hamilton Fire Department collaborated with the Hamilton Board of Health personnel, David Smith, Chris Lee, Rachel lee and Leslie Whalen on several COVID projects.
- Collaborated with Boxford, Wenham, Middleton and Topsfield to organize and vaccinate our local first responders i.e. Fire, Police and the local Sheriff's Department.
- The fire department in conjunction with the Board of Health planned and organizes our own emergency dispensing site to administer vaccines to Hamilton residents at the Hamilton Wenham Recreation Center.



This past year has tested all of us in every way possible. We are optimistically working our way out of this crisis. With that said, I want to thank everyone who worked tirelessly to ease the effects of this disaster. I hope by the end of 2021 we can finally see the light at the end of the tunnel and have some peace of mind.

Best regards,

Raymond A. Brunet

Fire Chief

Hamilton Fire Department Cont.

STAFFING:

The Hamilton Fire Department is a combination department, comprised of a mix of full-time and part-time firefighters. Our staff serves the residents of Hamilton 24 hours a day, 7 days week at a moment's notice whenever there is a need for our services. Over the years we have come to recognize the necessity to add to our day time staff as the part time personnel have been unavailable to respond during these hours.

FULL-TIME HIRE:

Justin Mullen was appointed to our full-time staff on October 1, 2020. He has been a valued member of the department since 2004 as a call firefighter. Throughout the years he has earned all the certifications necessary for the full-time position. More important than his certifications is his drive and commitment to the profession.



Justin Mullen

Hamilton Fire Department Cont.

NEW RECRUITS:

This is the second year of our call firefighter recruitment campaign using Facebook and the Town's sign board as the medium. The job posting provided us with a group of excellent candidates. After an interview process we hired four of the applicants to become our newest Call Firefighters. Three of these firefighters have just completed the Massachusetts Call Volunteer Training and earned their Firefighter 1&2 certification.



Kim Maguire



Dane Jorgensen



Marc Anderson

Andrew Smith was the fourth person hired to the department. He already had earned his Firefighter 1&2 certification prior to being hired. In addition to his firefighting training he is a Massachusetts certified Emergency Medical Technician.



Andrew Smith

MEDICAL LEAVE:

This past September I went out on medical leave for hip replacement surgery and was out for over three months. While I was out I entrusted the Department to Deputy Chief Kenneth Brand. Deputy Chief Brand was subsequently appointed Acting Fire Chief by the Selectman until I returned on the 1st of December.

RETIREMENT:

On November 30, 2020, Fire Chief Kenneth “Kirby” Brand retired from the Hamilton Fire Department. Kirby started his passionate career in emergency services with the Town of Hamilton on July 1, 1979 as a call firefighter. He also worked as an emergency medical technician and an emergency dispatcher for the town. Over the years he was promoted to Lieutenant and then Deputy Chief where he served on the Board of Fire Engineers and finally served as acting Fire Chief. After 42 years of dedicated service to the Town of Hamilton he decided to hang his fire gear up for good. We wish him all the best as he embarks on his new journey in life.

Thank you for your service!



Ken Brand

SAD NEWS:

Sadly we lost one of our own this past year. Tom Raymond passed away unexpectedly on November 3, 2020 at the age of 53. He was a 20 year veteran of the fire service who spent the last 5 years serving proudly with our department. He was a kind hearted soul who had a great sense of humor. Rest in peace brother!



Tom Raymond

2020 Personnel Roster

<u>NAME</u>	<u>RANK</u>	<u>Status</u>	<u>Year of Service</u>
Raymond Brunet	Fire Chief	(FT)	<i>32 years</i>
Kenneth R. Brand	Deputy Chief	(Retired)	<i>42 years</i>
Andrew Ellison	Captain/EMT	(PT)	<i>20 years</i>
David Dolan	Lieutenant	(PT)	<i>14 years</i>
Robert Wallace	Lieutenant /EMT	(FT)	<i>9 years</i>
Ryan Goodwin	Senior FF/EMT	(PT)	<i>15 years</i>
Dave Raymond	Senior FF/EMT	(PT)	<i>6 years</i>
Marc Anderson	Firefighter /EMT	(PT)	<i>1 Year</i>
Ross Appleton	Firefighter /EMT	(PT)	<i>2 years</i>
Frank Cirinna	Firefighter	(PT)	<i>11 years</i>
Stephen Collins	Firefighter	(PT)	<i>23 years</i>
Alexander Dale	Firefighter /EMT	(PT)	<i>9 years</i>
Colt Donahue	Firefighter /EMT	(PT)	<i>2 Years</i>
Jared Dolan	Firefighter/EMT	(FT)	<i>14 years</i>
Kristine Ellis	Firefighter/EMT	(FT)	<i>17 years</i>
Timothy Everitt	Firefighter	(PT)	<i>4 years</i>
Jerome Frontiero	Fire Mechanic	(PT)	<i>6 years</i>
Dan Grew	Firefighter/EMT	(PT)	<i>2 months</i>
Christian Hassel	Firefighter/EMT	(PT)	<i>9 years</i>
Dane Jorgensen	Probationary/FF	(PT)	<i>1 Years</i>
Kim Maguire	Probationary/FF	(PT)	<i>1 Years</i>
Dan McCormack	Probationary/FF	(PT)	<i>2 Years</i>
Kim Maguire	Probationary/FF	(PT)	<i>2 Years</i>
Justin Mullen	Firefighter/EMT	(PT)	<i>7 years</i>
Andre Painchaud	Firefighter/EMT-P	(PT)	<i>18 years</i>
Kent Parsons	Firefighter/EMT-P	(PT)	<i>4 years</i>
Chris Raymond	Firefighter/EMT	(PT)	<i>4 years</i>
Dave Raymond	Senior FF/EMT	(PT)	<i>6 years</i>
Thomas Raymond	Firefighter/EMT	(Passed away)	<i>5 years</i>
Scott Seiler	Firefighter	(PT)	<i>2 Years</i>
Benjamin Tuneburg	Firefighter	(PT)	<i>13 years</i>
Rick Villa	Firefighter/EMT	(PT)	<i>4 years</i>
<i>Glen Preston</i>	Fire Instructor	(PT)	<i>26 years</i>
Skip Mullen	Fire Instructor	Retired fulltime Firefighter	<i>12 years</i>
Kevin Baird	Chaplin	(Volunteer)	<i>7 Years</i>
Sandy Painchaud	Photographer	(Volunteer)	<i>18 Years</i>

Hamilton Fire Department Cont.

TRAINING:

The Hamilton Fire Department strives to be professional. We hold monthly training drills for our members in order to keep our firefighter skills sharp and current with the latest technologies.

Over the past two years we have revamped our driver training program. These efforts allowed us to work with firefighters who haven't previously been taught how to operate the fire apparatus. This provided our department with much needed drivers and pump operators.

I am happy to inform you that we now have sixteen members of our department that are nationally certified Emergency Medical Technicians. One of my long term goals for the department is to have all of our members trained as EMT's.

Two years ago, I successfully lobbied the Massachusetts Firefighting Academy to have our department host the Call/Volunteer Recruit Certification Program. By having the class here at our station, it makes it much easier for the recruits to attend from the local area departments. This class is set up to teach new candidates the skills needed to do the job of firefighting. When they have completed the 315 hour course, they will be certified level 1&2 firefighters. This year we enrolled three of our newest firefighters in the class this year and as of February 3, ²⁰²¹ they should all have graduated. It is my plan to host the class one more time in 2021.

EQUIPMENT:

2017 Pierce Impel 1500 gallon per minute pumper, "Engine 1"
1985 International Ranger Pumper, "Engine 2"
2004 Pierce Saber, 1250 GPM Pumper, "Engine 3"
2014 Pierce Impel Quint Pumper & Ladder, "Ladder 4"
2006 Ford F-550 Brush truck & Medical, "Squad 5"
2020 F-350 Utility Pick up Chiefs Truck," Squad 7"
2014 F-250 Utility Pick up, "Squad 8"
1994 E350 Support Van "506"

Jay Fronterio is our part time fire mechanic. He has been with us for over seven years and does an excellent job keeping up with our equipment repairs. If it wasn't for Jay, our outside repairs and maintenance costs would increase drastically.

INCIDENTS:

The primary mission of our department is protecting the lives and properties of the town against emergencies, whether they are manmade or natural disasters. We provide these services with caring, compassionate customer service.

INCIDENTS – 2020

House fires	4
Rescue	436
Hazardous Condition (No fire)	28
Good Intent	33
False Calls	218
Severe Weather	2
Service Call	88
Special Incident Type	5

Hamilton Fire Department Cont.

Total Fire Calls	814
Emergency Medical Calls	358
TOTAL CALLS:	1,172
<u>FIRE PREVENTION:</u>	

The Department has had challenges in educating the community this year due to the pandemic. As a result of Coronavirus we were only able to conduct a limited amount of outreach programs with the school aged children and seniors.

These efforts are funded with monies received from the S.A.F.E. Grant. Last year we were awarded \$3965.00 for the school aged SAFE program and \$ 2348.00 for the Senior SAFE Program from the Mass Department of Fire Services. These funds were used to purchase props, teaching aids and supplies to be used in conjunction with our public education programs. Our firefighters had planned to visit with every Pre-K through 5th grade class rooms and they were scheduled to make many home visits with seniors citizens of the community. However, our efforts were thwarted due to Covid-19. Nevertheless, we were able to work outside with some of the classes as the opportunity presented itself to us and helped some seniors on a necessity based criteria.

Educational facilities are mandated by Massachusetts NFPA 1 Fire Code to conduct four fire drills per year per school, of which two can be substituted with lock down drills. Fire and lock down drills were practiced at all the public schools as well as Pingree School and Gordon Conwell Theological Seminary.

The inspection department was still able to conduct a variety of fire prevention inspections in spite of the problems presented by COVID-19. The number of inspections increased slightly this year.

PREVENTION STATS:

Permits – 375
Inspections –413
Plan Review – 25
Public Education – 11
Fire Drills and/or lock downs – 44
Senior SAFE Program (Smoke/CO Detectors 25, Lock Boxes–10 home)
Fire Prevention Programs – 2

OPEN BURNING:

We are heading into the second year of our online burning permit application program. This allows residents to buy and activate their burning permits online without leaving their homes. The number of permits has increased by 67 from the previous year.

Open burning season is from January 15 to May 1st. We kept our permit fees the same as last year, \$20 for the season with a discounted rate of \$10 for senior citizens. We have four agricultural burning permit holders left within the town. The Department of Environmental Protection Agency continues to change the requirements for farms which limit some of them from qualifying for this type of permit. The farms that are still allowed to burn can do so year round with the Fire

Hamilton Fire Department Cont.

Chief's approval as long as weather conditions are favorable. Because of the added liberties they are charged at a higher rate of \$50 per year.

- Open Burning Permits-385
- Agricultural Permits – 4

Picture view of 2020



Training



February 2020 Graduation of 081



March 2020 house fire



COVID medical response in town



Monthly drill at the HFD



New COVID masks for the firefighters



Due to the extreme high heat and humidity forecasted for today, the Hamilton Emergency Man... See More



Emergency Shelter open



911 Ceremony



Thank you for a job well done!

The Hamilton Fire Depart... See More



Early snow fall



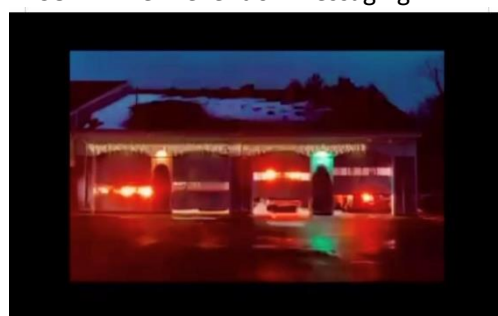
No matter how many people we are cooking for this Thanksgiving, let's remember to stand by ou... See More



COVID fire Prevention messaging



COVID testing at the MRMS



Holiday cheer during COVID

Board of Health

The Board of Health is responsible for implementing and overseeing the laws, policies and regulations of the Board of Health, the Massachusetts Department of Public Health and the Massachusetts Department of Environmental Protection. Responsibilities of the Board of Health include, inspections, permitting of septic installers, septic haulers, Title 5 inspectors and septic maintenance professionals, retail food establishments, retail tobacco, public and semi-public swimming pools, recreational camps for children, and keeping of animals/stables. In addition, the Board of Health conducts health clinics, addresses concerns of public nuisance, air quality, noise control, insect control, beaver and mosquito management, food protection, housing complaints, Title 5 compliance and communicable disease reporting.

The Board of Health consists of three members serving a three-year term. David Smith serves as Chair and Dr. Giselle Perez and Christopher Small as members. Walter Rowe resigned at the end of October after serving on the Board for three years. Leslie Whelan is the Health Agent and Chris Lee is the Public Health Nurse. Roberta Cody is the Food, Camp and Pool Inspector, Hayes Demeule was re-appointed as Animal Inspector and Anne Jackman as Assistant Animal Inspector. Nancy Stevens retired from the position of Administrative Assistant in April 2020 after decades of dedicated service to the Town of Hamilton.

The second half of FY2020 was the most challenging time ever faced by the Hamilton Board of Health. Starting in late February, the Board members and staff began to sense the severity and scope of the public health problems caused by the novel coronavirus (now known as SARS-CoV-2). We began to closely monitor all of the developments being reported by CDC and the MDPH. Realizing the gravity of the developing pandemic, we initiated almost daily communication with our Town Manager, with our counterparts in Wenham, and with the Hamilton-Wenham Regional School District administration.

The greatest challenge of all was that we were being attacked by a virus about which, at the time, we knew virtually nothing. Learning on-the-job was essential. As March progressed into April, we came face-to-face with the grim reality of a pandemic and its toll in sickness and death. Between April and June, eight of our residents died of Covid-19 and many dozens were sickened.

Early in March, we worked closely with the HWRSD administration and the Hamilton and Wenham Town administration to reach a unanimous decision to close the schools in order to protect students, teachers, and staff. Also, we assisted the Town's private schools, Gordon-Conwell Theological Seminary and The Pingree School, in their decision-making on what course of action to take. We worked collaboratively and regularly with every Town government agency including the Recreation Department, the Hamilton-Wenham Community House, the Hamilton-Wenham Library, the Council on Aging, the Public Works Department, and the Fire and Police Departments, to help them decide on the best approach to operating their activities safely. Last but not least, we answered the many hundreds of questions and requests for help from concerned residents about their health and safety.

Beginning in March, the Board of Health members and staff acted continuously and forcefully to fulfill its two primary missions: (1) educating our residents about the virus, how it spread, the symptoms of the disease it caused, and how to protect oneself against it, and (2) tracking in the state's MAVEN database every case of a resident infected with SARS-CoV-2 and working with each resident to explain what infectious disease protocols they must follow and monitoring their case to its conclusion as well as identifying and notifying every close contact of that case as well and following them to closure.

Between March 1 and June 30, our Public Health Nurse tracked a total of 38 confirmed cases of infection among residents who then were required to Isolate and 48 "Close Contacts" of those cases who were required to Quarantine. In addition,

Board of Health Cont.

many other Hamilton residents were notified by other Town Public Health Nurses that they were Close Contacts and had to Quarantine. On May 22, the day before the Memorial Day Weekend, the Board determined that we faced a potential “cluster” of cases in Hamilton and over that holiday weekend planned and conducted an onsite testing clinic with the help of our Fire and Police Departments to test a total of 95 residents.

Among its many educational outreach initiatives, the Board prepared and uploaded dozens of videos, written messages, guidance documents and advisories onto the Town website and local social media platforms to inform our residents about the virus, the disease it caused, and protection measures. Also, we and the Wenham Board conducted several online “Town Hall Forums” to answer questions.

Throughout the period from March 1st through June 30th, the Board members and staff attended literally hundreds of Zoom meetings and conference calls for Local Boards of Health led by the DPH Commissioner to inform us on the constant stream of Governor Baker’s Orders, new information from CDC, the latest state epidemiologic data and statistics as well as regulatory guidance and, finally, to get answers to important questions posed by Local Boards including the Hamilton Board of Health.

Meanwhile, the Board dealt with many questions from residents’ and complaints about local businesses. The main sources of questions and complaints were convenience stores, restaurants, retail shops, personal service businesses, and the Post Office. We responded to every inquiry. The Board is pleased to report that it enjoyed a very collaborative and responsive relationship with Crosby’s Grocery Store. Crosby’s proved to be a model of how a critical local service could conduct its operations in compliance with all of the DPH mandated safety standards. Additionally, our Cumberland Farms store was one of the first businesses in Hamilton to aggressively take the lead in promoting mask-wearing and social distancing in their store.

By the end of June and with the onset of Summer weather, we noted a steady decline in the number of positive cases, hospitalizations, and deaths. Also, the Public Health Community had begun to develop a better understanding of the virus, the disease, and its epidemiology. Thus, the Board was more confident in its ability to more effectively manage elements of the pandemic.

Other work and responsibilities of the Board and Department continued through the pandemic. The following are highlights prior to the pandemic.

The Board members toured Brick ends Farm on June 1st to observe first hand and learn about the composting operations there and to better understand the potential sources of odors from those composting operations. A protocol was established for complaints to be forwarded to the MA Dept of Agricultural Resources, the permitting agency for farm composting operations.

The Board received a request from a resident to promulgate a ban on the herbicide Roundup and subsequently entertained discussion on the subject at several Board meetings and conducted its own research on the subject. Based on advice of Town Counsel, the Board declined to issue a ban because the Commonwealth preempts such bans by local governments.

A harmful algal bloom (HAB) was identified in Round Pond, and notices were placed to keep dogs from swimming or drinking the water. HAB’s can be highly toxic to pets and small children.

The Board of Health continued vaccinating residents during flu season. The Hamilton and Wenham Boards of Health collectively joined together and held four Flu Vaccine Clinics (three for residents and one for middle/high school students).

Board of Health Cont.

There were approximately 490 residents and students vaccinated with the help of nursing students and Medical Reserve Corp. volunteers. The Health Department's flu clinics are run efficiently and smoothly in a cost-effective manner.

The Public Health Nurse has been assisting new mothers relative to the first year of a postpartum program. The Northshore Mother Home Visiting Partnership is designed to connect new mothers and their babies with their community, while assessing for postpartum depression and making referrals to medical professionals when needed.

The Board continues to work at the local and regional level on emergency response planning relative to infectious disease emergencies, bioterrorist events and natural disasters. Hamilton participates in a coalition of 14 surrounding cities and towns working closely together to develop emergency plans and mutual aid. Our Public Health Nurse, in collaboration with our Emergency Management Director, has organized and trained a group of volunteers to open an emergency shelter in Hamilton, should the need arise.

The Northeast Massachusetts Mosquito Control and Wetlands Management District (NMMCD) monitors for mosquito-borne diseases in the region. This year virus levels were low with no Eastern Equine Encephalitis (EEE) in the region. The NMMCD also applies larvacide to catch basins and roadside ditches. The Board prefers not to "routinely" spray mosquito adulticide. Taking personal protective measures like avoiding being outside during peak mosquito activity and draining standing water in your yard is the best protection against mosquito bites and mosquito-borne diseases.

The following is the FY20 report of permits issued, plan reviews, inspections:

Septic Disposal System Construction (New) Plan Review	4
Septic Disposal System Construction (Repair) Plan Review	29
Septic Title 5 Inspection Report Review	101
Septic Construction Inspections	67
Soil Evaluation Inspections	23
Septic Disposal System Installer License	33
Septic Disposal System Hauler License	10
Septic Title 5 Inspector License	15
Septic Operation & Maintenance Provider License	7
Food Service and Retail Food Permits	32
Temporary, Seasonal, Mobile Food Permits	0
Food Service and Retail Food Inspections and Re-Inspections	60
Keeping of Animal Permits	53
Stable Permits	53
Wells Permits	1
Public Swimming Pools Permits	3
Recreational Camps Permits	1
Tobacco Sales Permits	5
Complaints — Housing/Nuisance	6
Total fees collected in FY 20 were \$44,549.	

HAMILTON BOARD OF HEALTH

David B. Smith, Chair Giselle K. Perez, PhD Christopher H. Small

Eastern Essex District of Veteran Services

Cape Ann Veterans Services: Serving the Town of Hamilton

July 2020, the Town of Hamilton voted to transition its Veterans Services to the office of Cape Ann Veterans Service District, joining the communities of Gloucester, Manchester-by-the-Sea, and Rockport. In accordance with the U.S Census Bureau data as of July 2019, 377 Veterans currently live in the Town of Hamilton making up approximately 4.5% of the total population of 8,051. The Covid-19 pandemic made the transition unconventional compared to the outreach expected under normal circumstances. Restrictions limited the access and ability to conduct outreach into the Town of Hamilton as well as limited collaboration between our district Veterans organizations to expand services, resources, and recognition of town Veterans. Given the needs that have arose across Cape Ann Veterans Services District, the focus over the past year has been on the issuance of MGL Chp. 115 Veterans Benefits, VA Service Connected Claims, VA Bedford Covid Vaccine Satellite Clinic and vaccination assistance, and assisting residents with calls and questions about benefits for themselves and Veteran family members.



MGL Chapter 115 Veterans benefits are an income based financial program aimed at assisting Veterans and their dependents living under 200% of the Federal Poverty Level following state guidelines of means testing. Financial assistance may include an Ordinary Benefit amount, fuel assistance, or medical liability and copay reimbursement. Currently, the Town of Hamilton assists 4 of its residents through this program. Currently the program's budgeted cost is (\$30,000) with 75% of those expenditures being reimbursed to the town by the Commonwealth quarterly.

VA Compensation Claims are a monetary benefit provided to Veterans for injuries which may have occurred or been aggravated during time in service. According to VA statistics as of Fall 2020 the Town has (2) Veterans awarded VA Compensation totaling an amount of (\$75,000) annually, paid directly to the individuals. Data available to reflect the services provided over the past year will not be released by the VA until fall 2021, however additional claims have been filed and approved for town Veterans. Through the Inter-municipal agreement between the communities of the Cape Ann Veterans Service District, the office has access to a paid software system (VetraSpec) where it is able to electronically file and record Veteran claims and information, this has allowed for growing access and information distribution to Veterans of the district. The software associated (VetraSpec) has been increasing crucial during the Covid-19 pandemic as it allows for the electronic signature of Veteran clients and electronic processing of Veteran Claims.

To promote further attention to our expanded Veterans district and bring awareness to Veteran Services and help support the needs of community. Cape Ann Veterans Services provided the Town of Hamilton with small give away bags containing logoed items for Veterans Day 2020.



Council-on-Aging

The Council on Aging is a community based social service organization with its mission focusing on those individuals that are age 60 and older. We provide information and referral for services and programs that help you stay in your home and community as long as possible. We also offer health and wellness programs, as well as social programs. A portion of funding is provided yearly by the Executive Office of Elder Affairs through the Formula Grant. The balance of the annual budget is provided through municipal appropriations voted at Annual Town Meeting.

Some of the highlights and changes which occurred during this time include:

- Social Services Coordinator Lucy Frederiksen retired in August 2019, but we were happy to see her continue as a volunteer for the Senior Center.
- Although we lost Lucy, we had the fortune of hiring Tim Morris as the new Social Services Coordinator and Program Manager in March 2020.
- Dan Tremblay's Heritage Films Historical Presentations, including "Vaudeville, a History," "Boston's North End," "Gloucester Sea Serpent & Howard Blackburn," "Rescue of the Crew of Squalus 1939," "Woodstock," "Route 66," and "Service Dogs."
- We held our second "Chopped Competition" on September 13, 2019 at the Patton Homestead.
- We received a grant from the Foundation Trust of Melrose for \$2,000 to help pay for cell phones for seniors in need
- Hamilton Eagle Scout Trent Blatz constructed a 14 square foot patio outside of the Senior Center. We held an official dedication ceremony for the new patio on November 6, 2019.
- The COA was pleased to host a Holiday Trip to Maine in December 2019, which included a tour of Portland's Victoria Mansion, a Sunday buffet brunch and a visit to the Festival of Trees.
- We continued our partnership with the Hamilton Wenham Regional High School's "Generals for Generations" program. This is a great program that sends National Honor Society students to the homes of seniors to assist with household chores and other small projects.
- We hosted both a Holiday and St Patrick's Day party for our seniors.
- Senior Care continued using the kitchen at the Senior Center to cook meals to be delivered to seniors.

The end of FY 20 brought the beginning of the COVID-19 pandemic, cancelling many of the fun events that we had planned for the spring and summer. We would like to thank our staff and volunteers for continuing to work hard to make sure our seniors received the care and services they needed during this difficult time.



2020 – As Your Needs Changed, We Changed

2020 has been an extraordinary year full of unexpected challenges. Like every other business and organization, Hamilton-Wenham Public Library had to change almost everything about the way we deliver services because of the COVID-19 pandemic. We made the difficult decision to close our doors on March 16 and staff started working remotely and in rotation shifts inside the building. On May 26 we opened our Holds Pick-Up window and were thrilled to be seeing patrons in person again. We were able to reopen the Library by appointment on August 11 and continued to operate in this mode through the end of the year.

The Library and its staff made a major pivot in services and spaces to adjust to all of the safety requirements needed to keep everyone healthy. All programs have continued to thrive online via Zoom and Facebook Live; we were even able to offer some outdoor children's programs in person over the summer! The summer reading program moved to our new online platform, Beanstack, and we will continue to offer an online option moving forward. We also added more online database and entertainment options including Newsbank for local and world news, NuWav Legal Documents, and Kanopy and RB Digital for streaming movies and television.

Our patrons and our community continue to be the driving force of everything we do at the Library. In a time of change we strive to be a comforting place of consistency. You can continue to rely on us to be here and to adjust our services to meet your needs.

2020 Accomplishments

- Successful and safe re-opening of the Library after COVID-19 shutdown
- Streamline and unify Library social media presence and the addition of Instagram
- Implement new calendar, room reservation, and museum pass software
- Install new audio-visual equipment in the large meeting room



Hamilton Wenham Library Cont.

- Realignment of stacks on the second floor to allow for more open space
- Completion of Library Services and Technology federal grant, Preservation Assessment, to evaluate our local history collection

2021 Goals

- Installation of new Library server
- Update website to include Library policies and trustee meeting minutes for better transparency
- Evaluate the use of space and furniture as we are able to welcome more patrons back into the building as health guidelines allow
- Develop a long range preservation plan based on the Preservation Needs Assessment completed by the Northeast Document Conservation Center
- Explore the option of adding a self-checkout station
- Redesign of the Teen Area with new furniture
- Update public catalog stations and add a second floor and children's search station

Personnel Changes

In 2020 the Library said good-bye to our Assistant Director, Rob Pondelli, who left for a job closer to his home in New Hampshire. We also said to good-bye to three part-time staff members due to retirement: Christine Burns, Jeannine Curtis, and Charlotte Minasian. We thank them all for their years of service to the Hamilton and Wenham community and wish them well in their future endeavors.

Leadership

Board of Trustees:

Nichole Gray, Chair (2022)
Dorothy Goudie, Vice Chair (2023)
Julie Clay, Secretary (2021)
Judith Bubriski (2022)
Dede Johnson (2021)
M.J. Brown (2023)

Library Staff:

Kim Butler, Director
Amy Dziewit, Assistant Director
Kim Claire, Young Adult Librarian
Karen D'Ambrosio, General Service Librarian
Lorraine Der, Children's Librarian
Sarah Lauderdale, Head of Reference
Lewis Parsons, Head of Technical Services
Rebecca Shea, Adult Services Librarian

Part-Time Staff:

Elizabeth Bellucci, Jeanne Duffy, Anne Hanrahan, Josh Lear, Kathy Lindsay, Julie Niemann, Linda Platt, Christina Trudel

We thank all of our wonderful patrons for their continued support in 2020; your smiling faces (behind masks!), enthusiasm for library services, and words of encouragement and appreciation have bolstered all of us through this difficult year. Here's to brighter days on the horizon!

Respectfully submitted,

Kim Butler

Library Director

Hamilton Wenham Library Cont.



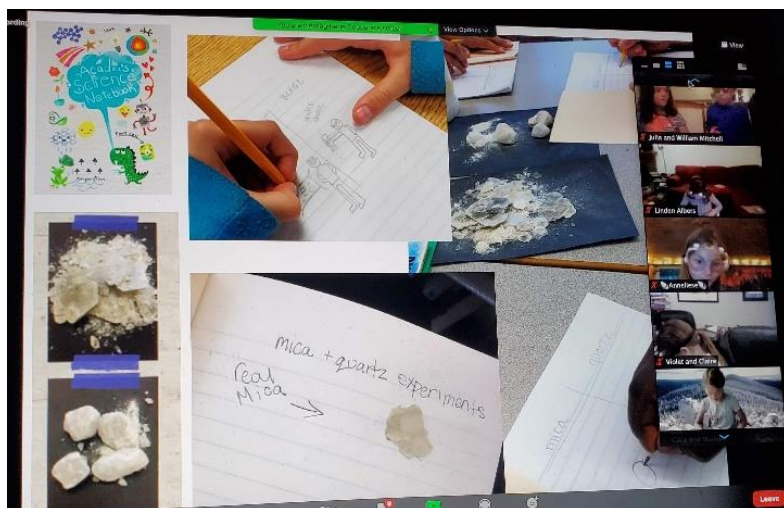
Holds Pick-Up Window



Library Staff on Holiday Sweater Day



Outdoor Summer Programs



Zoom Virtual Programs

Joint Board of Library Trustees of Hamilton and Wenham

The Joint Board is responsible for the custody and management of the Library and its services and facilities located at 14 Union Street in Hamilton, and members are active participants in promoting and supporting the mission statement of the Library.

Goals achieved in 2020:

- Championed the Library staff and the Library Director.
- Advocated for the Library at public meetings and events.
- Promoted the joy of reading and the value of lifelong reading.

Goals for 2021:

- Continue to build on improved communication and relationships with officials in both towns.
- Advocate for the Library through training and by attendance at relevant finance, budget, and policy meetings in both towns.
- Inventory and review existing Library trusts to promote transparency and fiscal responsibility.
- Promote the joy of reading and the value of lifelong learning.

In 2020 the Library received trust fund income, monetary gifts, State Aid, and grants:

- Trust Fund income: funded MLS stipends awarded to staff with Master's Degrees .
- State Aid funds: funded BeanStack Summer Reading Software, Zoom and Zoom Webinar subscriptions, and two Wi-Fi hotspots for staff and patron use.
- Gift funds: purchased children's books, paid maintenance fees for the aquarium, and added new book carts.
- Library Services and Technology Grant from the Massachusetts Board of Library Commissioners: funded a Preservation Assessment of the Library's Local History Collection.
- Cultural Council Grant: funded the children's summer program with Hampstead Stage Company.

2020 was a year of constant assessment and creative responses to the Covid-19 challenge. Our Library Director and staff rose to the challenge and effectively pivoted to serve our two communities in innovative and safe ways. Under Kim Butler's direction the staff created new schedules and circulation operations, adjusted to different work environments, and provided outstanding virtual programming. Despite extraordinary challenges, the Library gave all patrons continued access to our impressive collection and services.

Dorothy Goudie was reelected to a second term as a Library Trustee and Mary Jane Brown was newly elected as a Library Trustee.

Respectfully submitted,

Nichole Gray, Chair
Dorothy Goudie, Vice-Chair
Julie Clay, Secretary
Dede Johnson, Liaison to the Friends

Judith Bubriski
MJ Brown

Hamilton-Wenham Recreation Department

The Hamilton Wenham Recreation Department provides a wide variety of programs designed to improve the quality of life for residents by meeting physical and recreational needs. We promote lifelong lessons through play, education, and community wide events.

Goals achieved/large projects accomplished during 2020:

- Department was able to navigate the COVID Pandemic and offered in person programming starting in the Summer by creating outdoor classrooms and activity areas.
- Adopted strong health protocols to offer indoor in person programming starting in the fall and continuing through the winter
- Worked with all of our Youth Sport organizations (Little League, Youth Lacrosse, Flag Football, Tackle Football, Youth Soccer, and Youth Basketball) on developing COVID policies in order for these organizations to have successful season.
- Collaborated with the Town and Youth Sport Organizations to successfully run two outdoor Town Meetings.
- Was able to engage the community during the initial phase of the pandemic with virtual contests such as Cake Wars, Arts & Crafts week, and Lego Challenge
- Worked with health and public safety officials to safely open playgrounds, tennis/basketball courts, and public restrooms in the community
- Was able to streamline the submission of forms and documents by utilizing new technology.



Our department was deeply impacted by the COVID 19 Pandemic. All of our programs were cancelled starting in March and continuing through the month of June. Our department had to make the difficult decision to cancel the Patton Park Summer Program as well as close the Patton Park Pool for the summer of 2020. Although we were disappointed in the closing of these programs I am proud of how our department responded and quickly adapted to the new rules and regulations set forth by the state to offer safe in person programming starting in July. Our department continued to offer in person programming through the month of December. Although we were not able to serve as many community members as we normally do, our department was still able to offer close to seventy (70) in person and virtual programs in the period of July–December.

I would like to thank all of the staff that worked for our department through this pandemic to provide community members with some sense of normalcy. I'd specifically like to acknowledge the Recreation Department's Administrative Assistant Danielle Kiely for her tireless work over the course of the past calendar year.

Goals and Objectives for 2021

- Run a successful and safe Patton Park Summer Program and Veterans Memorial Pool Season

Hamilton Wenham Recreation Department Cont.

- Engage the community by improving our social media presence
- Focus on programming that serves community members of all ages
- If allowed, enhance our current special event offerings and look to add additional events

Staff:

Sean Timmons – Recreation Director

Danielle Kiely Administrative Assistant

Board:

Steve Ozahowski – Chair

Phil Tocci – Hamilton

Brad Tilley – Hamilton

Len Dolan –Wenham

John Cusolito – Wenham

Denis Curran – Wenham



Hamilton Affordable Housing Trust

The mission of the Hamilton Affordable Housing Trust is to increase the availability of affordable housing in Hamilton. Approximately four years ago, the Trust embarked on a program to determine sites that might be appropriate for affordable housing. The Trust established a clearly defined vetting process which allowed for a straightforward approach to selecting potential locations for the development of affordable housing in our community. Many locations were vetted over this four-year period, including privately owned and Town owned sites.

The Trust started FY 2020 (July 1, 2019-June 30, 2020) with extensive work and discussion related to the Town's Housing Production Plan, including a public forum held at the Hamilton-Wenham Library on October 2, 2019. On February 13, 2020, the Trust was presented with a final version of the Housing Production Plan, which Trust members endorsed through a 4-1 vote.

At Town Meeting, voters approved a grant of \$200,000 to the Trust from the Community Preservation Fund. The Trust also received a payment of \$217,500 pursuant to the Inclusionary Housing Bylaw from the developer of the Canter Brook senior housing development.

The Trust continued discussions with Habitat for Humanity related to their planned acquisition of two parcels located on Asbury Street. The Trust held a public forum to discuss the potential development at a September 10, 2019 meeting at The Community House.

The Trust continued working with the Gordon Conwell Theological Seminary Task Force, chaired by AHT member David Smith, and the seminary's administration to investigate the potential for affordable housing on the seminary campus.

The Trust held two joint meetings with the Hamilton Development Corporation (HDC) to discuss the development of affordable housing at the HDC owned property at 59-63 Willow Street. The project includes 18 total rental units, nine of which are to be affordable, adding 18 total units to the Town's Subsidized Housing Index. After releasing a Request for Proposals, the HDC selected Traggorth Companies LLC as the developer of the project. On April 9, 2020, the Trust voted unanimously to contribute \$500,000 to the development.

The Trust was disappointed to accept the resignation of Trust Chair Russ Tanzer at the final meeting of the fiscal year. Mr. Tanzer was a valuable member of the Trust during his four-year tenure and his contributions have been greatly appreciated by his fellow members on the Trust.

We as a Trust pledge to continue to make affordable housing a reality in our Town using smart growth principals promoted and designed by the Commonwealth of Massachusetts.

FY 20 Community Preservation Act Approved Projects

FY 2020 Community Preservation Act Approved Projects

Approved at the April 6, 2019 Annual Town Meeting and at the October 19, 2019 Special Town Meeting

Project: Donovan Playing Fields Bond Payment
Cost: \$41,200
CPA Purpose: Open Space and Recreation
Project Description: To fund the debt service for the Donovan Acquisition

Project: Sagamore Conservation Project Bond Payment
Applicant: Essex County Greenbelt Association
Cost: \$112,300
CPA Purpose: Open Space and Recreation
Project Description: To fund the debt service for the Sagamore Hill Conservation Project.

Project: Town Hall Restoration/Renovation Project / OPM and Design Services
Applicant: Town Hall Building Committee / DPW
Cost: \$150,000
CPA Purpose: Historic Preservation
Project Description: To fund the restoration/renovation of the Town Hall

Project: The Community House Restoration Project
Applicant: The Community House
Cost: \$100,000
CPA Purpose: Historic Preservation
Project Description: To fund the restoration of the Community House

Project: Community Housing - Reserve
Cost: \$47,000
CPA Purpose: Community Housing
Project Description: To reserve \$47,000 for the Community Housing Reserve

Project: CPA Administration
Cost: \$23,500
CPA Purpose: Administration
Project Description: To fund administration costs up to 5% of CPA revenues.

Community Preservation Act Approved Projects Cont.

Project: Town Hall Restoration/Renovation Project / OPM and Design Services

Applicant Town Hall Building Committee / DPW

Cost: \$250,000

CPA Purpose: Historic Preservation

Project Description: To fund the restoration/renovation of the Town Hall

Project: Hamilton Affordable Housing Trust

Applicant Hamilton Affordable Housing Trust

Cost: \$200,000

CPA Purpose: Community Housing

Project Description: To fund the creation of affordable housing through the Affordable Housing Trust via support of the Habitat for Humanity Project at 434 and 436 Asbury Street.

Conservation Commission

The Hamilton Conservation Commission's primary task is the administration and enforcement of the state Wetlands Protection Act (Ch. 131 §40) and the Town's Conservation By-Law, Chapter 17 of the Town's General Bylaws. The Commission also fulfills its mandate by funding environmental education programs in the regional school system, and by organizing and publicizing various conferences and events that seek to protect open space and inform residents of the value of preservation of woodlands and scenic areas as well as trail access and management.

Conservation Commission jurisdiction and procedure:

The Commission's jurisdiction includes all proposed changes in land use within the borders of the Town which will occur within defined wetlands or within 100 feet of the defined edge of wetlands, or within 200 feet of perennial streams and rivers. The Commission considers applications (Known as "Requests for Determination" and also "Notices of Intent") for work in these areas at public meetings and/or public hearings. The Commission or the Commission Coordinator holds site walks to review conditions at the proposed work area. The Commission then decides if a permit (either a "Negative Determination of Applicability" or an "Order of Conditions") shall be issued. Once a project is completed, the Commission reviews post project conditions to establish that the project was finished in such a manner as it was originally proposed and that no damage to resource areas has occurred. A Certificate of Compliance is then issued and the process is complete. The Commission also investigates violations of the Wetlands Act and local Conservation By-Law and the Commission issues Enforcement Orders or Violation Notices if appropriate.

Asides from conducting public hearings and holding open public meetings to review and analyze the various applications, the Commission, through their Coordinator, may on any given day do any of the following

- Respond to residents' questions and concerns about wetland permitting
- Conduct preliminary site evaluations to determine applicability of jurisdiction
- Perform various compliance inspections
- Reply to building contractor and wetlands consultants questions and concerns
- Interact with various state agencies most notable the Commonwealths Department of Environmental Protection
- Work with other Town departments to address issues of common concern

2020 Noteworthy Events

- Commissioners attended the annual MACC Conference in Worcester in February 2020

2020 Filings and Other Regulatory Decisions

- 4 Orders of Conditions
- 10 Determinations of Applicability
- 5 Certificates of Compliance
- 1 Amended Order of Conditions
- 2 Order of Conditions Extensions

Historic District/Historical Commission

Members of the Historic District Commission in 2020 included Edwin Howard, Chair, Jack Hauck, Elizabeth Wheaton, Margaret Meahl, Katherine Mittelbush, Olivia Hyde, Kristen Weiss and Scott Clements. Mr. Howard served as the Chair of the Commission.

The primary mission of the Historic District Commission is to review alterations to preserve the historic character of the Historic District that is centered on Bay Road. Owners of property within the District must apply to the Historic District Commission for Certificates of Appropriateness for changes to their property that are visible from Bay Road and town ways. The Commission also serves as the town-wide historical commission.

The Commission held four meetings in 2020. The Commission did not receive any regulatory review submissions for the year, but had three major projects that they worked on throughout the year. In 2020 the Commission worked extensively with contractor Eric Dray to draft the new Historic District Guidebook. The Commission worked closely with the Town Hall Building Committee, providing important oversight of the preservation of historic features on both the exterior and interior of the building. The Commission also spent time working with Everest Infrastructure Partners to develop a plan to mitigate the impact of the proposed cell tower on the Historic District's view shed.

Sealer of Weights and Measures

The Sealer of Weights and Measures enforces laws regarding pricing and delivery which protects the citizens of Hamilton and those who visit the town. All commercially used measuring and weighing devices such as gasoline meters, home heating oil trucks, scales, and scanners, are annually tested as mandated by Massachusetts Law. If a device is approved, an approval and security seal will be attached. If a device is not approved, the business cannot use the device until it is fixed or replaced. The Sealer of Weights and Measures will respond to all complaints about pricing, weight, and deliveries. He also will conduct random inspections.

2019 SUMMARY OF INSPECTIONS			
COMPANY	ADDRESS	DATE INSPECTED	FEE
A & M Motors	203 Highland Street	4-21-2020	\$400.00
CVS Pharmacy	15 Walnut Road	03-06-2019	\$50.00
Meadowbrook Farm	247 Essex Street	04-26-2019	\$50.00
Cumberland Farms	121 Bay Road	05-02-2019	\$490.00
Family Medicine Associates LLC	15 Railroad Avenue	06-05-2019	\$25.00
Connolly's Pharmacy	44 Bay Road	10-31-2019	\$50.00
Hamilton Convenience	178 Bay Road	11-08-2019	\$280.00
Welch & Lamson Inc	305 Willow Street	11-08-2019	\$180.00
Crosby's Marketplace	15 Walnut Street	3-16-2020	\$490.00

Respectfully Submitted,

Leonard Rose
Inspector of Weights and Measures

Patrick Reffett
Director of Planning & Inspectional Services

Hamilton Inspectional Services

Historically the majority of Building Permits issued are for remodeling or adding a bathroom, renovating a kitchen, installing a generator, installing roof top solar arrays, insulating, installing sheds, installing pools, and fiscal year 2019-2020 was no different.

All applications may be found on the Town web site: hamiltonma.gov or by visiting the Town Hall during regular hours of business.

There is a lot of pertinent and useful information on the Building Department web page; such as if you need a building permit or a license for the work you want done on your property, what are the requirements for pool fencing and about the regulations to install. Of course, you may also contact the Building Department if you don't find the answer to your questions on the web page.

Since 2018, there has been an application for the installation of a Generator which should be submitted along with the Electrical and/or Gas Permit Application.

When a Building Permit is issued it is important that the paperwork is finalized because lenders/buyers/appraisers etc. do review the property files at Town Hall. Ultimately, it is the responsibility of the contractor/developer, and/or the property owner to ensure the proper paperwork was submitted and finalized. Until the work is complete Building Permits must be annually renewed.

The Inspectional Services Department strives to establish the minimum requirements to protect the health, safety and general welfare of the public.

Respectfully for the Inspectional Services Department,

Patrick Reffett
Director of Planning and Inspectional Services

Hamilton Planning Board

Members of the Hamilton Planning Board in fiscal year 2020 started with Brian Stein as chair, Rick Mitchell as clerk, and members Richard Boroff, Janel Curry, Peter Clark, Daniel Hamm, and William Wheaton. Laura Walsh was an associate member until September after which she filled the vacancy created by Janel Curry's retirement and departure from Hamilton.

Throughout the year Planning & Inspections Director, Patrick Reffett assisted the Planning Board.

The mission of the Hamilton Planning Board is to engage in land use management and planning on behalf of the Town. This includes administering the Zoning By-Laws, Site plan review, Storm Water Management Special Permits and Subdivision Control Laws. The Board is also responsible for updating the Town Master Plan and for reviewing and amending proposed Zoning By-Laws intended to meet the demands of the Town and its growth patterns.

During FY 2020, the Hamilton Planning Board held twenty regular meetings. There were two Executive session meetings and a number of meetings and portions of regularly scheduled Board meetings devoted to the residential component of the Hamilton Master Plan and the Town's Housing Production Plan (HPP).

During the spring of calendar year 2020 the Board cancelled their March 17 meeting due to the Covid pandemic which generated a closure of Town Hall. Four Planning Board meetings cancelled within late March, April and early May were not held due to the Town Hall closure. The Board on May 19th resumed their meeting cycle of twice monthly meetings with the use of ZOOM video conferencing.

Regulatory Actions by the Hamilton Planning Board in FY 2020

A range of regulatory applications and reviews came before the Planning Board which serves as the permit granting authority for Site Plan Review, Approval Not Required (ANR) applications, Subdivision applications, and Special Permit applications.

Site Plan Reviews - The Planning Board, on behalf of the Town, undertook Site Plan Review as per the Hamilton Zoning Bylaw on the following six (6) projects through the course of the year.

1. In accordance with MGL Chapter 40A, Sec. 11, the Board discussed a request from the Permittee Canter Brook Capital LLC. for a Minor Modification to the Canter Brook Senior Housing Special Permit to approve a FORM K, Partial Release of Covenant. Approved.
2. In accordance with Section 10.6 of the Hamilton Zoning By-Law, a Site Plan Review and a Storm Water Management Special Permit application from Green Meadows Farm, LLC, 654 Asbury Street, Hamilton, MA, for a Medical Marijuana Cultivation and Processing Facility was heard by the Board within three public hearing sessions. Later the applicant formally requested both applications be withdrawn without prejudice. Both formal withdrawals were accepted.
3. In accordance with Section 10.6 of the Hamilton Zoning By-Law, the Board held a public hearing to begin its Formal Site Plan Review of a proposed project for 59-63 Willow Street submitted by the Hamilton Development Corporation (HDC) for a mixed-use project containing multi-family dwellings and commercial space. Chairman Brian Stein recused himself from the hearing(s) as did Rick Mitchell because they are both members of the HDC. Member Daniel Hamm chaired the hearings. The Board determined that a professional Peer Review would be helpful to the Board and public to review traffic, parking and drainage aspects of the project. Through the course of several public review sessions, the Board determined the project met the requirements for a mixed-use project within the B Zoning District. Approved.

Planning Board Cont.

4. In accordance with provisions of MGL Chapter 40A, Sec. 11, a public hearing was held at the request of Canter Brook Capital LLC for a Minor Modification of the Senior Housing and Stormwater Special permit issued on Jan. 20, 2016 (as extended) under Sec. V.E of the Hamilton Zoning Bylaw on property at 354 Highland Street, Assessors Map 28, Parcel 8. The Owner requested a partial release on the Covenant to allot it to install foundations for two buildings with four units. Approved.

5. In accordance with Section 10.6 of the Hamilton Zoning By-Law, the Board held a public hearing to undertake a Site Plan Review for 654 Asbury St. The proposal was a 19 car, public purpose, gravel parking lot as advanced by Essex County GreenBelt Assoc., Inc. Approved.

6. In accordance with Section 10.6 of the Hamilton Zoning By-Law, the Board held a public hearing to undertake a Formal Site Plan Review of the Hamilton Town Hall Reconstruction Project at 577 Bay Road. The property is also known as Assessors Map 49 Parcel 23. The Town was the applicant and submitted plans which had been prepared by the Town's design consultant team and reviewed by the Board. The project included numerous site plan changes, interior improvements and an addition which provides vertical access (ADA) to the building making the town hall accessible. Approved.

Form A - Approval Not Required (ANR) Reviews – The Planning Board performed seven (7) Form A – ANR reviews during FY 2020 as follows:

1. In accordance with the meaning of the Subdivision Control Law, the applicant submitted a petition for 6 Overhead Drive in district R1-B to modify lots 4A and 1A by transferring a portion of land from for 4A to 1A, 6,125 s.f. Approved.

2. In accordance with the meaning of the Subdivision Control Law, Robert Patton on behalf of the Patton Family Limited Partnership proposed to modify property lot lines on the parcel otherwise known as Hamilton Assessors Map 19 Lot 4. The property is in the RA zoning district. Approved.

3. In accordance with MGL Chapter 41, Sec. 82P and Hamilton Subdivision Regulations, The 466 Highland Street Realty Trust and Britton Family LLC submitted a request to the Board to modify property lot lines on the parcel otherwise known as Hamilton Assessors Map 20 - Lot 5 and Lot 11. The property is partially within the RA and R1-B zoning districts. Approved.

4. In accordance with MGL Chapter 41, Sec. 81, the Britton Family LLC sought an endorsement to reconfigure lot lines to form three building parcels with frontage onto Porter Lane. Approved.

5. In accordance with MGL Chapter 41, Sec. 81, the Owner/Applicant of 6 Bridge St., Assessors Map 49 Lot 31, sought a Form A, Approval Not Required endorsement to reconfigure lot lines to for two lots in compliance with ZBA decision Number 11 of 2019, Dated November 12, 2019. Approved.

6. In accordance with MGL Chapter 41, Sec. 81, the Owner/Applicant Hamilton Trails, LLC., sought a Form A / Approval Not Required (ANR) endorsement from the Board regarding property within Assessors Map 48 Lot 9 (88 Maple Street) in order to reconfigure lot lines to transfer Parcel B (2.763 acres) from Lot BA (Acres 18.756) to abutter Camilla Rich. The lots are within zoning districts R-1B and R1-A. Approved.

7. In accordance with MGL Chapter 41, Sec. 81 the Owner/Applicant Hamilton Trails, LLC., sought a Form A / Approval Not Required (ANR) endorsement from the Board regarding property within Assessors Map 48 Lot 9 (88 Maple Street) in order to reconfigure lot lines to transfer Parcel B (2.763 acres) from Lot BA (Acres 18.756) to abutter Camilla Rich. The lots are within zoning districts R-1B and R1-A. Approved.

Planning Board Cont.

Pre-Application Conferences – The Planning Board conducted one such conference during FY 2020.

1. In accordance with Hamilton Zoning Bylaw Section 10.6, the Planning Board heard an informal presentation and gave preliminary comments upon a conceptual level application submitted by the Hamilton Development Corporation (HDC) for their property located at 59-63 Willow St. The project was later submitted and reviewed as a Site Plan Review project consistent with Business (B) Zoning application requirements.

Special Permit Applications (and related actions) – three (3) Special Permit applications came to the Planning Board during FY 2020. These include:

1. 354 Highland Ave - In accordance with MGL Chapter 40A, Sec.11, the Board considered Minor Modifications of a previously approved Special Permit with two motions. The first was “to approve a partial release of the covenant for the Villages at Canter Brook Estates to be able to construct the building for units 1, 2, and 3” and the second “to approve the proposed architectural changes for the Villages of Canter Brook Estates as shown on the plans submitted by the applicant with the changes acceptable to the Board and approved by the Board”. Both Approved.

2. In accordance with MGL Chapter 40A, Sec. 11 the board discussed a Minor Modification to the Canter Brook Senior Housing Special Permit to allow proposed marketing signage which exceeded the dimensions of the previously approved signage. Approved.

3. In accordance with MGL Chapter 40A Sec. 11, a Minor Modification to the Canter Brook Senior Housing Special Permit to approve a Form K Partial Release of Covenant was discussed. Approved.

Miscellaneous Board Special Projects, Discussions & Actions

Street Acceptance Policy - The Planning Board is the town body that receives and initially addresses requests from local property owners regarding the possibility of the Town accepting their private streets. Property owners from Bancroft Way approached the Board with such a request. The Board and staff discussed the matter with abutting residents during two regular Board meetings. The Board had previously discussed and recommended major changes to the Street Acceptance Policy to the Board of Selectmen. The BOS later approved a new Street Acceptance Policy which followed the Planning Boards recommendation.

Downtown Mixed-Use Zoning Contested – As the Hamilton Development Corporation (HDC) proposed an 18 unit residential project with a modest amount of commercial space on the ground floor in later 2019 for their 59-63 Willow Street property, the validity of the mixed-use provisions within the B district zoning was challenged. Town Counsel and the State Attorney General reviewed the subject material, particularly the process and documentation of the zoning amendment which had been approved by town meeting October 22, 2016 and then subsequently approved by the AG’s Office in April 2017. Both legal sources confirmed that the process and inclusions made as part of the mixed-use zoning element of the Hamilton Zoning Bylaw had been correctly undertaken by the Town and the Attorney Generals’ prior approval was confirmed.

Residential Master Plan Prepared and Approved - During FY 2019 all of Planning Board members, staff and a planning consultant worked extensively with townspeople to plan for future residential growth in Hamilton within two separate but related planning efforts, the Residential Master Plan Update and the preparation of the Housing Production Plan (HPP). Both were funded with resources from the Community Preservation Committee which had provided funds to the Hamilton Affordable Housing Trust (HAHT) for affordable housing related purposes.

Planning Board Cont.

With respect to the Residential Master Plan several outreach efforts were undertaken. These included resident workshops with the consultant team (and town staff including Planning Board members) along with an on-line survey which was also provided hard-copy for those wishing to respond long-hand to the survey questions in preparation of the Residential Master Plan. Members are cognizant that in order for new and different zoning articles to gain public approval such proposed new legislation must have early public support and understanding based on current data. Further, members believe that updating the residential component of the 2004 Master Plan is a good way to best determine what residents will support with respect to future residential growth.

Housing Production Plan (HPP) - The HPP was primarily advanced by the Hamilton Affordable Housing Trust, town staff and the Consultant with some input from the Planning Board which must approve the document in compliance with Massachusetts General Law. Both the Master Plan residential element and the HPP were concluded and approved by the Planning Board in late calendar year 2019. The HPP was approved by the Board of Selectmen in February 2020. It was then submitted to the State Department of Housing and Community Development which approved the document and notified the Town on July 1, 2020.

Municipal Vulnerability Preparedness Study – Staff and a Metropolitan Area Planning Council (MAPC) representative worked on a state required process to address climate and other related municipal related vulnerabilities for Hamilton. The Board and the public heard a presentation regarding the preparation of a Hazard Mitigation Plan which listed areas for environmental concern. The document and process was approved by the State and also paid for by a grant from the Commonwealth.

Open Space Plan – The Open Space Committee prepared a new open space and recreation plan which was needed as the prior document had expired. The Planning Board was presented the document and voted to support it. A letter was submitted to the State accordingly.

Zoning Board of Appeals

Historically, the Town of Hamilton Zoning Board of Appeals meets on the first Wednesday of the month in the Memorial Room on the first floor of Town Hall. However, due to recent events meetings have been held via Zoom as of June 2020. The public is welcome and encouraged to attend the meetings. Agendas may be found on the Town web site: hamiltonma.gov and with at Town Hall.

The Zoning Board of Appeals hears and decides applications for Special Permits and Petitions for Variances, hears and acts on Comprehensive Permits, reviews and makes recommendations to other Special Permit Granting Authorities, and makes findings on Nonconforming Uses and Structures. The agenda item titled Regular Business covers subjects to the extent allowed by law, such as Board Discussions, and the Review and Approval of Meeting Minutes.

During the fiscal year there were eight meetings of the Zoning Board of Appeals and along with Regular Business the following Applications were reviewed:

- There were three Public Hearings for the Extension or Alteration of a non-Conforming Use for three different properties (146 Gregory Island Road, 15 McClintock Avenue, 6 Bridge Street). The Public Hearings were required due to the fact the lot was either a non-conforming lot due to the size of the lot and/or the proposed construction did not conform to the Zoning Bylaw and the Dimensional Requirements.
- There was a Public Hearing for the application to operate a medical marijuana cultivation and production facility at 654 Asbury Street which is located in the Ground Protection Overlay District. At a later meeting the application was withdrawn by the applicant and the Zoning Board of Appeals accepted the withdrawal of the application without prejudice.
- One Public Hearing was a request to increase an existing nonconformity or create a new nonconformity at 22 Elliott Street which is one lot with a single-family dwelling. At a later meeting the application was withdrawn by the applicant and the Board accepted without prejudice.
- The Board approved an application to change the type of an existing apartment within a dwelling from Temporary Additional Living Area to an Accessory Apartment at 504 Essex Street. (Temporary Additional Living Area is often referred to as an In-Law Apartment and a relative must reside in the apartment. Temporary Additional Living Area must be inspected and the approval renewed by the Building Department every four years following approval by the Zoning Board of Appeals; it is the responsibility of the owner to schedule an inspection for their renewal).
- The Board approved an application to create an Accessory Apartment at 10 Highland Street.
- One application was from the property owner of 54 Berrywood Lane, requesting to be able to have more than the number of allowed accessory structures (storage bins) on a temporary basis. The Public Hearing was continued while the owner had the accessory structures removed and then during a later meeting the application was withdrawn and the Board accepted the withdrawal without prejudice.

Massachusetts General Laws and the Town Zoning Bylaws dictate how a Zoning Board may conduct business; from posting agendas and processing applications to how decisions are rendered, written, and filed. If you would like to learn more about the Roles and Responsibilities of Zoning Board Members, the State Zoning Law, the Town Zoning Bylaws, or to view Agendas and Meeting Minutes, you may want to visit the Town web site: hamiltonma.gov

The purpose of Zoning is to protect the health, safety, and welfare of the community. If you are a resident of the Town of Hamilton and you are interested in become a Member of the Zoning Board of Appeals or perhaps another Board or Committee that serves the Town of Hamilton you may find an Application for Appointment for Board/Committee Membership on the town web site.

Respectfully for the Zoning Board of Appeals,
Patrick Reffett, Director of Planning & Inspectional Services

Department of Public Works

Department of Public Works employees continue to perform their many and varied functions and continue to provide public services to the residents and other departments. Fiscal Year 2020 included the following highlights:

Administration:

- **New Staff:** DPW welcomed three new employees this year. Richie Campana and Ray Currier were hired as Highway Truck Driver/ Laborer positions and Brad Isbell was hired as the Highway Heavy Equipment Operator. All three employees were hired to fill vacancies in the department.

Highway:

- **Roadway Improvements:** In September 2019 the Town contracted with D&R Paving, Inc. to mill and overlay a series of roadways throughout Town. D&R. Plans are to construct a new sidewalk along Linden Street, along a portion of School Street, and at the intersection of Madonna Drive and Highland Street. Funds were provided by MassDOT Chapter 90 in the spring of 2020.
- **Tree Maintenance:** DPW contracted with Cicoria Tree Services and Mayer Tree Services to continue to assist the Town with the performed routine tree maintenance and removed diseased and hazardous trees. National Grid provided additional tree trimming and removals along the electrical feeds throughout town.
- **Tree Planting:** In the spring of 2020, the town received 15 trees as a donation from the Institution for Savings bank. These trees were planted by Hamilton DPW throughout town, along public roadways, parks, and in the Hamilton Cemetery.
- **NPDES MS4 Permit Compliance:** The Town of Hamilton is regulated under the EPA 2016 Municipal Separate Storm Sewer System (MS4) Permit for their stormwater system. As part of this permit in 2020, the Town continued to develop and implement a public education and outreach program and encouraged public involvement and participation through their annual Hazardous waste drop off day. A general operation and maintenance plan was developed for Town facilities to ensure reduced potential for pollutant discharges into the MS4. A Stormwater Pollution Prevention Plan (SWPPP) was also developed for the DPW facility, which identifies potential stormwater contaminants at the facility and includes monitoring and control measures to ensure they do not discharge to the MS4. A dry weather outfall inspection/sampling program began and approximately 57 of the Town's regulated drainage outfalls were inspected for signs of potential pollution, with no evidence detected. A Stormwater Management Plan (SWMP) and an Illicit Discharge Detection and Elimination (IDDE) program which were developed in previous years were updated to include current information. The Town will continue to implement and improve Best Management Practices over the permit term to protect water quality and reduce discharge pollutants into the stormwater system.
- **Chebacco Road Reconstruction:** In March 2020, the project team held a virtual pre-application site walk to preview the proposed improvements with the relevant permitting agencies. Subsequently, in June 2020, the project team submitted an Environmental Notification Form (ENF) to the Massachusetts Environmental Policy Act Office (MEPA) detailing the proposed improvements and projected impacts to the resource areas and their associated buffers. Following discussions with the regulators, the project team scaled back improvements to reduce the impacts to buffer areas and provide additional stormwater management features.

Facilities:

- **Hamilton Town Hall Preservation:** The DPW Director continues to be an active member of the Town Hall Building Committee (THBC) charged with the preservation project for Town Hall. The THBC has tasked the Owners Project Manager (OPM), Design Technique, Inc. design consultants, LLB Architects, LLC. The project is planned to advertise for public bid in the fall of 2020.

Department of Public Works Cont.

- **LED Communication Sign:** The new LED communication sign was installed in the late spring of 2020. This sign is used by multiple town departments to provide important information out to the public.

Cemetery:

- **Cemetery Restoration and Treatment:** The Hamilton Cemetery received a substantial restoration project starting late spring 2020. Hamilton DPW stripped and removed close to 150,000 square feet of damaged grass and soil and replaced with new topsoil and grass seed. This large area was heavily damaged by grubs and the Town has committed to an annual grub treatment to preserve the cemetery grounds in 2021.

Sanitation:

- **Styrofoam Collection Event:** In January 2020, with the assistance from the Waste Reduction Committee held its' first styrofoam collection day at the Winthrop School. Over 40 pounds of styrofoam was collected.
- **Waste Collection:** The Town continues to provide scheduled leaf pick-ups in the fall and spring and continues to provide monthly E-Waste drop off events to allow residents to leave: monitors, televisions, computers, white goods, etc. for a small fee at Town Hall.
- **Recycle Dividends Program (RDP):** The Department of Public Works continues to prepare solid waste annual reports to MassDEP to receive state funding through the annual Recycle Dividends Program "RDP" which has allowed the Town to purchase solid waste and recycling materials as well as pay for printing and postage for Townwide educational mailers.

Water Department:

- **Phase 4 Water System Improvements:** The Phase 4 Water System Improvements Project was initiated due to a critical need for aging water distribution system infrastructure and supply redundancy. Design plans were completed to replace old asbestos cement and cast iron pipe and appurtenances with a history of leaks on Forest Street, Village Lane and Beech Street. In addition, inoperative fire hydrants along Bay Road, Highland Street, Fox Run Road and Tally Ho Drive were replaced to improve firefighting capacities. Lastly, the Town water system's interconnection with its' sole source of storage in Bridge Street is planned to be reconstructed and reconfigured to provide important future operability and maintenance.
- **Water Treatment Improvements:** In December 2019, the Town commissioned an evaluation of alternative treatment technologies to alleviate the formation of TTHMs at the Town's existing water treatment plant. From previous investigations and water quality sampling completed, it was determined that the primary source of TTHM formation occurring within the Town's water system was the levels of total organic compounds (TOCs) present within the Idlewood wells, with the highest concentration from Idlewood #2. In 2020, the Town evaluated ways to reduce these compounds and in turn reduce TTHM formation. The Town looked at both a pre-treatment process and investigate the replacement of the current Idlewood #2 well.

Idlewood Test Well Investigation: A test well drilling program to identify a satellite replacement well location for Idlewood #2 was performed over the period from March 9th through March 13th, 2020. Four (4) locations for sampling and developing a test well were selected in total. The intent was to find a well site that was hydraulically connected to the aquifer for production capacity but had a physical separation with the low-lying wet area to provide some natural filtration of the organics present within the Idlewood #2 well.

Based on the water quality sampling results, one of the pumped test wells showed more favorable conditions for a new replacement well with minimal TOCs but had high iron concentrations which was a concern. Given the possibility that performing a longer duration pump test could result in better raw water quality, an extended 8-hour pump test was conducted at this site. Unfortunately, the results of the extended pump test were not favorable to support the installation of a new satellite replacement well for the Idlewood No. 2 well. Although the site could potentially yield the required production

Department of Public Works Cont.

rate, the concentrations of iron and TOCs within the well were still high to be considered an adequate replacement well. It was recommended to cease any further testing at this time.

Based on the poor quality results from the Idlewood #2 testing, the town focused on removing the TOCs at the water plant. Lab and bench testing was performed on the town's raw water and results determined the most favorable strategy recommended to mitigate TTHM formation at the plant was to reduce TOCs within the raw water through a new Granular Activated Carbon (GAC) adsorption system. This new system would be installed at the head of the plant to remove as much TOCs from the Idlewood wells as possible prior to being treated for iron and manganese removal. The data findings were presented to the Board of Selectman at the 06/08/20 meeting who voted to support the design and construction of the recommended GAC adsorption system. The Town plans to contract for engineering services in the fall of 2020.

- **Well Maintenance:** The Caisson Well was cleaned and redeveloped and returned to service, producing optimum withdrawal to satisfy the water demand of the Town.

Hamilton Landfill

- **Landfill Closure Certification:** The Department of Public Works continues to prepare quarterly, and annual environmental monitoring reports MassDEP to maintain conformance with the Landfill Closure Certification.

Energy Manager

The Energy Manager position is shared between the Towns of Hamilton and Wenham and the Hamilton Wenham Regional School District. The Energy Manager position is currently funded for up to 7 hours per week total. The Energy Manager is responsible for a number of ongoing tasks in addition to specific project work. Primarily, the Energy Manager is responsible to continually measure and monitor the comprehensive energy use at all municipal facilities in the Town of Hamilton. This task allows the Town to measure the performance of completed energy projects and identify opportunities for future projects. The Energy Manager also serves as a liaison between municipal Departments to facilitate energy projects, and routinely works with the Town Manager, the Finance Director, the Public Works Department, the Facilities Department of the Hamilton Wenham Regional School District (HWRSD) and various other branches of municipal government. Finally, the Energy Manager serves as a primary contact point for state agencies on energy grant programs and other energy initiatives.

The Energy Manager oversaw a number of projects in 2020. A brief summary of each project is presented under each project heading below.

Manage Measurement & Verification Phase of ESCo Project: In 2020, the Energy Manager continued to work with Johnson Controls (JCI) to assess, document and mitigate the lackluster results Hamilton has experienced with the energy efficiency improvements completed in 2011 and guaranteed under an Energy Services (performance) contract (ESCo). The \$400,000 ESCo was guaranteed to result in a 16% energy reduction from the baseline. The project has under-performed, resulting in a less than 5% energy reduction from the baseline. After thoroughly reviewing the annual Measurement & Verification (M&V) Report, the Energy Manager worked to collect the Year 9 shortfall payment from JCI in 2020, and

Continues to protect the Town's best interest as the project moves forward through the 12-year contract period.

Land-Based Solar on Capped Landfill: In 2020, the Energy Manager in partnership with the Public Works Director oversaw interconnection of the 0.93 megawatt land-based solar PV array on the Town's municipal landfill on Chebacco Road. The Town partnered with Ameresco through a Power Purchase Agreement (PPA) whereby the Town will purchase all of the power generated by the array to offset its municipal energy use. Due to a title issue in Land Court, activation of the array has been delayed. The matter is expected to be resolved in 2021 allowing the Town to activate the array. The array is expected to generate 877,699 kWh in Year 1, which will degrade to 797,966 kWh in Year 20 of the PPA. The power will be sold to the Town at a rate \$0.02 below the National Grid rate for the duration of the contract. Projected revenue to the Town as a result of the PPA is \$20,000 annually.



The Landfill PV Project Nearing Completion in August 2019

Energy Manager Cont.

Green Community Designation: The Town of Hamilton was designated as a Green Community by MA DOER in 2010. The Energy Manager maintains the designation by preparing and submitting an Annual Report in December that includes energy tracking for the previous fiscal year for all municipal energy accounts, and presents a strategy for continuing to work towards reducing municipal energy use by 20% from the baseline year. During active grant projects, such as the PSB Lighting project, the Energy Manager prepares and submits quarterly reports to the granting agency, reimbursement requests, and a Final Report to close out the grant.

Recreation Center Interior Lighting Retrofit to LED: The Town was awarded a \$112,816 Green Communities (GC) Competitive Grant in August 2020 for interior lighting retrofits to LED at the Public Safety Building and at the High School gym. The project was completed in November 2020 and is estimated to save Hamilton 22,252 kWh in electricity and \$3,805 annually, and HWRSD 36,579 kWh in electricity and \$6,255 annually.



New LED Lighting in the PSB Garage Bays

Electric Vehicle Charging Station at Town Hall: The Energy Manager applied for funding for an electric vehicle (EV) charging station at Town Hall through the Massachusetts Electric Vehicle Incentive Program (MassEVIP) in March 2019 which yielded a \$5,500 grant award in January 2020. The MassEVIP funding coupled with a National Grid incentive fully covered the cost to purchase and install the station, which was completed in March, 2020. The station is fully operational and available for public use.



New EV Charger in Town Hall Parking Lot near DPW Garage

Solar PV on Municipal Buildings: The Energy Manager utilized the surplus grant funds from a 2018 Municipal Energy Technical Assistance (META) grant to further study the feasibility of rooftop solar PV on the Hamilton Wenham Library and Recreation Center, and ground-mount solar PV at the Patton Estate. The Town determined the Library/Recreation project to be most viable at this time and in December 2020 signed a Letter of Intent to partner with Solect Energy to design and install the rooftop PV array. The partnership will be similar to that at the landfill; the Town will enter into a PPA whereby the Town will purchase all of the power generated by the array to offset its municipal energy use. The array is expected to generate 151,953 kWh and save the Town \$3,000 annually.



Solar Design on Library/Recreation; 137.7 kW DC

Competitive Energy Supply: For the fifth year in a row, the Energy Manager has overseen Competitive Energy Supply Agreements for electricity for both the Town of Hamilton and HWRSD. Both the Town of Hamilton and HWRSD use EnerConnex, an energy broker, to conduct a competitive bid process and determine the most advantageous contract term and price of electricity for each entity. Both entities are currently under contract with Constellation for competitive energy supply. 2020 was Year 4 of a 48-month contract between Hamilton and Constellation with a fixed rate of \$0.09870/kWh.

Community Energy Aggregation: The Energy Manager continues to monitor Hamilton's Community Choice Aggregation program; a bulk-buying program for electricity available to all Hamilton residents and businesses. The Town's initial twenty-four month contract with NextEra for electricity supply expired in December, 2020 so the Town in partnership with Good Energy, an energy broker, went out for bid for a new contract in May, 2020. Constellation was awarded the contract which has a term of thirty-six months, expiring in December, 2023. New this contract, Constellation is offering a 50% additional renewable energy product in addition to the Basic (0% additional) and 100% Local Green products offered in the last contract.

Energy Manager Cont.

Constellation's rate for residential service is locked in at \$0.11122/kWh as compared to the National Grid rate through April 30, 2021 of \$0.12388/kWh.

Aggregation Program Summary

- Total Eligible Accounts at Program Launch in 2018: 2,569
- Total Accounts Enrolled as of December 2020: 1,950
- Participation Percentage: 76%
- Program details available at: www.hamiltoncca.com
- How do I join or leave program? Opt-in or Opt-out online at www.hamiltoncca.com

Respectfully Submitted,

Victoria A. Masone, P.E., Energy Manager

Special Town Meeting –

1 Special Town Meeting October 19, 2019



SPECIAL TOWN MEETING

**OCTOBER 19, 2019
HAMILTON-WENHAM HIGH AUDITORIUM**

At the close of registration on October 9, 2019 there were 5,784 registered voters.

Precinct 1 - 32
Precinct 2 – 29
Precinct 3 – 33

The Moderator declared a quorum present (75) and the Warrant returned showing it had been properly served, opened the Special Town Meeting at 9:30 a.m. with 94 voters checked in and present.

Assistant Town Moderator/Teller: Jeff Melick

Appointed Tellers:	Jane Wetson	261 Asbury Street
	Walter Leszczynski	10 Honeysuckle Road
	Ruth Flumerfelt	59 Greenbrook Road

Good Morning, my name is William Bowler and I'm the Town Moderator. Welcome to the October 19, 2019 Special Town Meeting, and thank you for coming.

We will start as we always do by saying the Pledge of Allegiance.

I would like to start with four general reminders:

2 Special Town Meeting October 19, 2019

First, if you are a registered voter in Hamilton, you should have been given a voter card when you checked in. You will need to raise the card to cast your vote on issues we decide here today.

Second, please turn your cell phone to silent. If you need to make a call, please leave the room to do so.

Third, we welcome non-voters to the town meeting, but do ask that you sit in the visitors' area so it is easier to count votes.

Fourth, registered voters may also sit in the overflow room. I have appointed _____ to be the assistant moderator there. People in the cafeteria desiring to speak to any article should come to the microphones in the auditorium.

I would like to introduce the people who are sitting up front on the stage, so you know who they are:

Lauren Goldberg	KP Law, Town Counsel
Sharon George	Interim Town Clerk
Joe Domelowicz	Town Manager
Jeffery Hubbard	Board of Selectmen, Chair
Rosemary Kennedy	Board of Selectmen
Darcy Dale	Board of Selectmen
Shawn M. Farrell	Board of Selectmen
William Olson	Board of Selectmen
David Wanger	FINCOM, Chair
Nicholas Tensen	FINCOM
Valerie McCormack	FINCOM
John Pruellage	FINCOM
Christina Schenk Hargrove	FINCOM
Marisa Batista	Finance Director

We will begin with brief reports from Mr. Hubbard and Mr. Wanger.

Mr. Hubbard spoke briefly stating he would like to thank the many people that makes Hamilton a great place. First, "I would like to thank our first year Town Manager Joe Domelowicz, the sixty employees of the Town, Chief Russell Stevens, Fire Chief Raymond Brunet for all the hard work the Police and Fire do for our community". "I would also like to thank Mike Toomey, Town Hall Building Committee, the Planning Board and Patrick Referett and the Finance and Advisory Committee.

Mr. Wanger gave an overview of where the Town was financially. His remarks and comments are part of the complete record for this meeting

The Moderator stated that if a resident wishes to speak they must first be recognized by the Moderator. He continued to explain the rules of procedure with amendments.

We will now begin the articles in the warrant.

3 Special Town Meeting October 19, 2019

GREETINGS:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify and warn the inhabitants of the Town of Hamilton qualified to vote in election and town affairs, to meet at the Hamilton-Wenham Regional High School located at 775 Bay Road in said town, on Saturday, the nineteenth day of October, in the Two Thousand Nineteen (October 19, 2019) at nine o'clock in the morning (9:00 a.m.), then and there to act on the following articles.

ARTICLES FOR CONSENT AGENDA:

Article 2019/10 1-1: Articles 2-3, 2-8 and 3-1 were voted unanimously without discussion.

Article 2019/10 2-1 Prior Year Bills

To see if the Town will vote to raise and appropriate, and transfer from available funds, or borrow pursuant to any applicable statute, a sum of money to pay any unpaid bills incurred in prior years, or take any action thereon or relative.

The motion was moved by Christina Schenk Hargrove, seconded and voted unanimously in accordance with G.L. c.44, §64.

Article 2019/10 2-2 Reduce Education Appropriation

Town Moderator said: "To see if the Town will vote to amend the vote taken under Article 2-4 of the April 6, 2019, Annual Town Meeting warrant by reducing the amount to be raised and appropriated for the Hamilton-Wenham Regional School District annual operating budget by \$160,125.00, or take any action thereon or relative thereto". Moderator recognized David Wanger.

Brief Summary: The FY2020 school budget has been reduced by the Hamilton-Wenham Regional District School Committee as a result of the Wenham Town Meeting's failure to approve the original proposed budget. Accordingly, the School Committee revised the budget, which results in a \$160,125.00 decrease in the amount apportioned to the Town. There will be no adverse impact on school programs as the budget was revised to eliminate \$250,000.00 from OPEB line item.

Motion made by David Wanger "I move that the Town amend the vote taken under Article 2-4 of the April 6, 2019, Town Meeting by reducing the amount to be raised and appropriated for the Hamilton-Wenham Regional School District Annual operating budget by \$160,125.00, duly seconded, and voted UNANIMOUSLY.

Article 2019/10 2-3 Budget Adjustments

To see if the Town will vote to amend the vote taken under Article 2-4 of the 2019 Annual Town Meeting warrant for the purposes of: (a) adjusting line items in the FY2020 budget as set forth in Appendix A; and (b) reducing the Police Budget by \$30,067.20 and the amount to be raised and appropriated by \$30,067.20 or take any action thereon or relative thereto.

4 Special Town Meeting October 19, 2019

This article was voted under the Consent Agenda unanimously.

Article 2019/10 2-4 Water Improvements

Town Moderator said: “To see if the Town will vote to authorize the use \$1,600,000 from the previously approved borrowing of \$5,000,000 under Article 2015/4 2-14 of the April 11, 2015 Annual Town Meeting to pay for the cost of improvements to the Town’s water distribution system, including all incidental and related costs, and raise and appropriate or transfer from available funds the sum of \$40,000 for debt service costs associated with this next phase of the Water Distribution System project, or take any action thereon or relative thereto. Moderator recognized Shawn Farrell.

Mr. Farrell stated this is a housekeeping article and the end of the water project.

Motion made by Shawn Farrell “I move that the Town authorize the use of the sum of \$1,600,000 from the previously approved, but not yet issued, borrowing of \$5,000,000 under Article 2015/4 2-14 of the April 11, 2015, Annual Town Meeting for costs of improvements to the Town’s water distribution system, including all incidental and related costs, and that the sum of \$40,000 be taken from water retained earnings for debt service costs associated with this next phase of the Water Distribution System replacement project, duly seconded and voted unanimously

Article 2019/10 2-5 Community Preservation Habitat for Humanity

Town Moderator said: “To see if the Town will vote, pursuant to G.L. c44B, to appropriate the amount of \$200,000.00 from the Community Preservation Fund Community Housing Reserve Account as a grant to the Affordable Housing Trust for the purposes of purchasing certain qualified parcels located at Asbury Street for development as affordable home for income qualified buyers, including all incidental and related expenses; and, further to authorize the Board of Selectmen to enter into a Grant Agreement with the Hamilton Affordable Housing Trust setting the terms for such grant, including a requirement that the property be conveyed by January 1, 2022 and that the owner of any dwellings subsequently receiving any of these appropriated monies from the Trust grant to the Town and Affordable Housing Restriction in said dwellings, and that such requirement be included in any grant agreement involving this property; and further, to authorize the Board of Selectmen to accept such restrictions; provided further that any funds from this appropriation remaining unspent after January 1, 2022, will be returned to the Community Preservation fund only after a vote by the Community Preservation Committee determining that it is unlikely the remaining appropriated funds will need to be spent to this effect, or take any action thereon or relative thereto.”

Russell Tanzer, 100 Ortins Rd, stated these funds will be used for affordable housing in the community. There will be 7 units affordable with 70% local preference.

Rosemary Kennedy, Selectmen stated the owners would provide up to 400 hours of community service.

Motion made by Jay Butler “I move pursuant to G.L. c.44B, to appropriate the amount of \$200,000.00 from the Community Preservation Fund Housing Reserve Account as a grant to the Affordable Housing Trust for the purposes of purchasing certain parcels located at Asbury Street for development as affordable homes for income qualified buyers, including all incidental and

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related expenses; and, further to authorize the Board of Selectmen to enter into a Grant Agreement with the Hamilton Affordable Housing Trust setting the terms for such grant, including a requirement that the property be conveyed by January 1, 2022 and that the owners of any dwellings subsequently receiving any of these appropriated monies from the Trust grant to the Town an Affordable Housing Restriction in said dwellings, and that such requirement be included in any grant agreement involving this property; and further, to authorize the Board of Selectmen to accept such restrictions; provided further that any funds from this appropriation remaining unspent after January 1, 2022, will be returned to the Community Preservation Committee determining that it is unlikely the remaining appropriated funds will need to be spent to this effect.” Motion was seconded, vote was unanimous.

Article 2019/10 2-6 Community Preservation-Town Hall Project

Moderator said “To see if the Town will vote, pursuant to G.L. c.44B, to appropriate \$250,000 from the Community Preservation Fund Balance, for the restoration, rehabilitation and preservation of the historic Town Hall located at 577 Bay Road, including but not limited to design and project management costs related thereto; provided that the preparation of bid and construction documents and the bidding process commences prior to July 1, 2021, with any funds from this appropriation remaining unspent after July 1, 2021 to be returned to the Community Preservation Fund only after a vote by the Community Preservation Committee determining that it is unlikely the remaining appropriated funds will need to be spent to this effect, or take any action thereon or relative thereto.”

Moderator recognized Jay Butler, Chairperson, Community Preservation Committee, stated this money would be used for the next phase of the Town Hall Renovation project.

Moderator then recognized Drayton Fair, from Demty LLB, the architectural firm handling the Town Hall renovation project. He began by saying that the Hamilton Town Hall has been a symbol of the Town for over 120 years. The time has now come that it is in need of more accessibility. There are no restrooms on the second floor. The stairway to the second floor is not up to code. There are no sprinklers in the building.

Many options were reviewed. An overview of the layout was discussed as follows:

- Try to keep everyone in the same foot print
- Main level will stay
- A variance will need to be applied for
- Concern for “moistness” in the basement – will be made waterproof
- There will be 53 parking spaces
- New electrical system
- Total cost \$8,840,000 for option A
- Total cost of option B would be approximately \$868,000 more than A

John Pruellege, stated the Finance Committee recommended Option B.

Douglas Trees, 557 Bay Road, discussed Options A and B concerning the scale of demolition that does not seem to be a historic rehab. He then introduced Option C.

Moderator reminded the audience we are voting on the appropriation from the Community Preservation fund.

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A teller vote would be taken.

Motion was moved by Jay Butler “ I move, that pursuant to G.L. c.44B, to appropriate \$250,000 from the Community Preservation Fund Balance, for the restoration, rehabilitation and preservation of the historic Town Hall located at 577 Bay Road, including but not limited to design and project management costs related thereto; provided that the preparation of bid and construction documents and the bidding process commences prior to July 1, 2021, with any funds from this appropriation remaining unspent after July 1, 2021 to be returned to the Community Preservation Fund only after a vote by the Community Preservation Committee determining that it is unlikely the remaining appropriated funds will need to be spent to this effect. The motion was seconded. A teller vote was taken with 51 in favor and 18 opposed to appropriate \$250,000.00.

Article 2019/10 2-7 Town Hall Building Project

Moderator said “To see if the Town will vote to authorize the Treasurer to borrow a sum of money in accordance with General Laws Chapter 44, Section 7 or any other enabling authority, for the purpose of funding the design and construction of the renovation and improvements to the Town Hall located at 577 Bay Road, including employee relocation costs and all other incidental or related costs, and all other incidental or related costs, and further to authorize the Board of Selectmen to apply for and accept any federal state and/or grants or loans available for the project, and to enter into any and all agreements related thereto; and that any premium received upon the sale of payments of the costs of issuance of such bonds or notes, may be applied to payment of costs approved by this voted in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount or take any action thereon or relative thereto.”

The Board of Selectmen voted for Option A. This option would eliminate the staircase. The Board felt that Option A was fiscally responsible, the layout would be a proper work space for employees, and that Town Hall would be a functional building.

John Pruellege, stated the Finance Committee recommended Option B putting the elevator in the back of the building which would allow for future renovations.

Scott Clemens, 24 Meyer Lane, stated he was speaking as a member of the Historic Commission. Option A demolishes the entire staircase to the second floor. This is supposed to be a rehab project not demolition. He feels that Option B is heading in the right direction for historic preservation.

Douglas Trees, 557 Bay Road, stated the preservation of the exterior following the Secretary of Interior Preservation Guideline, however Option A does not retain the historic continuity by removing the staircase. At this point Mr. Trees introduced Option C. This option was only seen by the Planning Board/Community Preservation Chair and Moderator minutes before the Annual Town Meeting began.

Mr. Trees continued by saying that Option C would be a better option retaining more historic preservation. A new building would be constructed behind Town Hall. All employees would have work space in the new building.

Mr. Trees motion is as follows: To see if the Town will vote to authorize the Treasurer to borrow

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a sum of money, \$250,000 in accordance with General Laws, Chapter 44, Section 7, or any other enabling authority, for the purpose of funding the additional design and project management costs and other related costs for the preparation of construction and bid documents for work to allow the later historic “rehabilitation” of the Town Hall at 557 Bay Road. This work, presented as Option C, is that work as described in Article 2-6 of this Town Meeting for the reconfiguration of the DPW occupancy on the property and the construction of an office addition and related site work to the rear of the historic building, site work and other costs related thereto. Further, to authorize the Board of Selectmen to apply for and accept any federal, state and/or other grants or loans available for the project, and enter into any and all agreements related thereto; and that any premium received upon the sale of any bonds or notes, may be applied to payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any action thereon or relative thereto.

Much discussion continued with numerous members of the Town Hall Building Committee speaking in favor of Option A.

Mary Green, 569 Bay Road, expressed her concern that we are voting for funding and not an option.

Joseph Domelowicz, Town Manager, stated that we try to follow the will of Town Meeting.

There was still confusion by members of Town Meeting as to what was being voted on.

Lauren Goldberg, KP Law, legal counsel to the Town stated that Option C was in front of the body at this time. No amendments can be made until the motion on floor has been voted. She continued that Town Meeting does not vote on the project, but rather the concept.

Ray Brunet, 44R Grant Avenue, stated that he would like to stop debate.

Jay Butler, stated he recommended a no vote on Option C.

The Moderator stated this would be a counted vote.

MOTION TO STOP DEBATE:

On motion of Ray Brunet, and duly seconded, the Town of Hamilton voted 44 in favor and 22 opposed to end debate. Motion carries with 2/3 vote.

MOTION ON OPTION C

On motion of Douglas Trees, duly seconded, the Town of Hamilton voted 30 in favor and 40 opposed to Option C. Motion fails, did not receive a 2/3 vote.

The original motion is now back on the floor.

Timothy Olson, DPW Director, stated it would be an additional \$110,000 for Option B bringing the total to \$467,767.00.

Discussion continued from the floor of Town Meeting regarding the two options A & B. Scott Meyers stated that he feels Option B is better as it heads in the right direction of historic preservation.

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Joseph Domelowicz stated that Town Hall is not up to code and it is not handicapped accessible. Whether Option A or B go forward we must make the building more functional.

Motion was put forward from the floor by Edward (Duke) Seaver to take a vote on Option B. Motion was seconded.

Moderator stated this would be a counted vote.

VOTE: The Town of Hamilton voted 35 in favor and 31 opposed to the Adoption of Option B. Motion carries.

The main motion is now back on the floor. The Moderator stated this would be a counted vote.

MOTION: Motion was moved by William Olson, duly seconded, the Town of Hamilton voted 60 in favor 12 opposed that the Town appropriates the of \$467,767 to pay costs of design and construction of the renovations and improvements to the Town Hall located at 577 Bay Road, including employee relocation costs and all other incidental or related costs; that to meet this appropriation, the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said amount in accordance with M.G.L. c44 §7 (1) or any other enabling authority, to issue bonds or notes of the Town therefor; the Board of Selectmen is authorized to apply for and accept any federal, state and/or other grants or loans available for the project, and to enter into any and all agreements related thereto; and further any premium received upon the sale of any bonds or notes, approved by this vote or any other vote or voters of the Town approve by as of date hereof, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment to the payment of costs approved by any of such votes in accordance with M.G.L. c44 §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount. Motion Carries by 2/3 vote.

Article 2019/10 2-8 Public Safety Building garage doors

Town Moderator said: "To see if the Town will raise and appropriate or transfer from available funds a sum or money for the purpose of repairing or replacing overhead garage doors at the Public Safety Building, including all incidental or related costs, or take any action thereon or relative thereto."

This motion was voted under the Consent Agenda. Motion made by John Pruellage "I move that the Town raise and appropriate the sum of \$28,500 for the purpose of repairing or replacing overhead garage doors at the Public Safety Building, including all incidental or related costs." The motion was seconded and voted unanimously.

Article 2019/10 2-9 Water Treatment

The Moderator recognized Shawn Farrell stated this was a housekeeping article for well exploration into other areas.

Town Moderator said: "To see if the Town will vote to amend the vote taken under Article 2-18 of the April 6, 2019 Annual Town Meeting,, by allowing \$1,500,000 that was previously approved for Pre-treatment to be used for either pre-treatment, a new well development, or other solutions which is determined by the Town, and its consultants, to be the most effective and cost-

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effective solution to the Town's water quality issues, or take any action thereon or relative thereto."

Motion was moved by Shawn Farrell "I move that the Town amend the vote taken under Article 2-18 of the April 6, 2019 Annual Town Meeting, to allow the \$1,500,000 previously authorized to be borrowed for the water pre-treatment to be borrowed for the purposes, and for new well development, or any other solutions which may be determined by the Town, and its consultants, to be the most effective and cost-effective for solving the Town's water quality issues." The motion was seconded and voted so unanimously.

Article 2019/10 3-1 Amendment to Compensation Tables

Town Moderator said: "To see if the Town will vote to adopt the revised compensation tables set forth in Appendix B, or take any action thereon or relative thereto."

This motion was voted under the Consent Agenda. Motion was moved by Valerie McCormack "I move that the Town adopt the revised compensation tables set forth in Appendix B to the warrant" and was voted so unanimously.

Article 2019/10 3-2 Home Rule Petition – 550 Highland Street

The Moderator stated "To see if the Town will vote to authorize the Board of Selectmen to petition General Court for special legislation to exempt the property located at 550 Highland Street from local taxation for the period of time when said property is leased by the Department of Conservation and Recreation to one or more residential curators and abate any taxes assessed to date and as yet uncollected, as set forth in Appendix C; provided, however, that the General Court may make clerical or editorial changes of from only to the bill unless the Board of Selectmen approves amendments to the bill before enactment by the General Court, and to authorize the Board of Selectmen to approve amendments within the scope of the general objectives of petition, or take any other action thereon or relative thereto."

Motion was moved by Shawn Farrell "I move that the Town authorize the Board of Selectmen to petition the General Court for special legislation to exempt property located at 550 Highland Street from local taxation for the period of time when said property is leased by the Department of Conservation and Recreation to one or more residential curators and abate any taxes assessed to date and as yet uncollected, as set forth in Appendix C to the warrant; provided, however, that the General Court may make clerical or editorial changes of form only to the bill unless the Board of Selectmen approves amendments to the bill before enactment by the General Court, and to authorize the Board of Selectmen to approve amendments within the scope of the general objectives of the petition. The motion was seconded and voted so unanimously.

Article 2019/10 3-3 Amendment to Income Limitations for Senior Tax Deferral G.L. c59 §5, Clause 41A

The Moderator stated "To see if the Town will vote to increase the annual income (gross receipts) that a senior may have in the prior calendar year to be eligible to defer property taxes under M.G.L. Chapter 59, Section 5, Clause 41A from \$40,000 to \$58,000, or take any thereon or relative thereto.

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Motion was moved by Rosemary Kennedy, duly seconded, the Town of Hamilton voted unanimously that the Town increase the annual income (gross receipts) that a senior may have in the prior calendar year to be eligible to defer property taxes under M.G.L. Chapter 59, Section 41A from \$40,000.00 to \$58,000.00.

Annual Town Meeting-

1 Annual Town Meeting June 20, 2020



Annual Town Meeting

June 20, 2020

9:00 am

Hamilton-Wenham Regional High School Football Stadium

Bill Bowler stated: "The constable has confirmed that the Warrant for this ATM has been properly posted. The Interim Town Clerk has informed me there is a quorum present. This Annual Town Meeting of the Town of Hamilton is now open. Good Morning, my name is William Bowler and I'm the Town Moderator. Welcome to the June 20, 2020 Annual Town Meeting and thank you for coming."

At the close of registration on June 20, 2020 there were 5105 registered voters.

Precinct 1 – 216

Precinct 2 – 186

Precinct 3 – 130

Bill Bowler stated: "To assist me with vote counting, I have appointed three tellers, who have been properly sworn.

Pledge of Allegiance

William Bowler stated: "I'd like to start with some general reminders: First, if you are a registered voter in Hamilton, you should have picked up a voting clicker, which looks like this. If you haven't and wish to vote, then I ask you to get one now. Second, please turn your cell phone to silent. If you need to take or make a call, please leave the meeting to do so. Third, we welcome non-voters to the Town Meeting, but do ask that you sit in the visitors' area, which is located in the back."

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William Bowler introduced the following officials who were sitting at the front of Town Meeting: Tom McEnaney (KP Law, Town Counsel), Sharon George (Interim Town Clerk), Joe Domelowicz (Town Manager), Marisa Batista (Finance Director), Jeff Hubbard (Board of Selectmen, Chair), Rosemary Kennedy (BOS), Darcy Dale (BOS), Shawn Farrell (BOS), Bill Olson (BOS), David Wanger (FinCom, Chair), Nick Tensen (FinCom), John Pruellage (FinCom), Christina Schenk Hargrove (FinCom), Valerie McCormack (FinCom), Dr. Julie Kukenberger (Superintendent of Schools), David Polito (School Committee), Michelle Bailey (School Committee), Gene Lee (School Committee), Michelle Horgan (School Committee), Peter Wolczik (School Committee), and Tai Pryima (School Committee)."

William Bowler stated: "I have asked non-resident Town officials and those assisting the Selectmen or Finance Committee to be present here so they may be available to answer questions. Members of the press (and the video crew) have been allowed to be present. I hope you all read and brought your copy of the Warrant. If you did not, there may still be some extra copies in the back. The agenda for the meeting is the Warrant. It was prepared by the Board of Selectmen."

William Bowler stated: "To bring an agenda item before the meeting, I will recognize a member of the sponsoring board, committee, or individual so they can make a motion. If the motion is seconded, I will recognize the proponent to speak to you about it. Once they are done, I will open discussion up to the voting public. If you wish to speak, you must first ask me to recognize you. To save time, I ask that you already be standing at one of the microphones properly socially distanced. Once you're recognized, please state your name and street address. You will have three minutes to make comments. Your comments and questions must be within what we call the 'the four corners of the motion.' No personal comments and keep it to the facts. Please, no applause. All motions to amend must be submitted to the Town Clerk in writing. If you need assistance in framing a motion to amend, Town Counsel will provide you with some assistance. No more than one amendment may be pending at the same time. A vote is first taken on the amendment and then on the main motion."

William Bowler stated: "As I mentioned, when a vote is taken, we will be using the electronic voting clickers. Greg Alexander of the company, Turning Technologies will demonstrate the use of the clickers in just a moment. In the unlikely event that we have trouble with the new technology, we will revert to the use of voter cards. Voters would be asked to raise their hands and I will then decide visually whether there is the necessary majority or 2/3 vote."

Greg Alexander demonstrated how to use the key pad. 1A for yes and 2B would be cast for yes or no votes respectfully. A practice vote ensued.

Town Moderator recognized Brad Hill.

Brad Hill stated: "Normally I would give you a State of the State address to give you an inclination of what is going on at the State level. I think we all know what is going on at the State level. Financially the State was \$6B to \$7B in the hole going into the next fiscal year. We hope to get help from the Federal government in trying to plug some of that hole. We are also looking at a \$3B rainy day fund for such an occasion as we are now facing. Hope moving forward, I had exact numbers but I don't. Moving forward it looks as though with help from the Federal

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Government and help from our rainy day fund, that things may not be as bad as they could have been without those two factors. We have been in contact with your Town Management almost on a weekly basis updating them on what is going on financially and other things that are happening in the State and I assure you that those conversation will continue as we get through this corona virus epidemic together. I appreciate everyone who has been contacting our office and the local administration here trying to get answers to some of the questions being asked. Please do not hesitate to contact Senator Tarr's office or my office with any questions you have as we move through this and the Governor makes the decisions he is making. Leave it at that and hope in the next few weeks, I can give you better financial numbers as our budget gets put together as well as yours."

Brad Hill recognized Peter Clark, Edwin Howard, and Jeff Hubbard for their years of public service. Citations would be delivered to each. Shawn Farrell also thanked the three retiring public servants.

Bill Bowler thanked everyone for being at Town Meeting and thanked all that made it possible. Mr. Bowler noted the incredible amount of work due to circumstances. Joe Domelowicz said people were still checking in and the Town ran out of voting clickers. Four hundred were available and never had that many residents attended Town Meeting. More tellers were being sworn in and anyone wishing to help should see the Town Clerk.

SECTION 1: ELECTIONS, REPORTS, PROCEDURES

ARTICLE 2020/6 1-2 Reports

Town Moderator recognized Jeff Hubbard.

Jeff Hubbard said: "I move that the reports of Town Officers and Committees be received and placed on file."

Seconded.

Jeff Hubbard said: "Due to the ongoing public health crisis and our desire to limit the duration of Town Meeting, we have decided not to include oral presentations from Town boards and committees at Town Meeting this year, and instead, have asked boards and committees to post their reports on the Town's website.

Vote: Motion carries.

ARTICLE 2020/6 1-3 Consent Motion

Town Moderator said: "I will read the list of articles to be taken up and vote on as one motion. If you want to ask questions or make comments on an article, shout out "Hold" as the list is read. Any article motion that is held will be deleted from the Consent Motion and taken up and considered according to its place on the Warrant: 2-1, 2-5, 2-6, 2-7, 2-9, 2-10, 2-14, 3-2, 3-3, and 3-4."

Town Moderator recognized Jeff Hubbard.

Jeff Hubbard said: "I move that the articles included on the List of Articles for Consent Motion for this 2020 Annual Town Meeting, a copy of which has been delivered to the Town Clerk to be filed with the minutes of this meeting, be approved by one vote, each motion to be deemed a

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separate action under the Warrant Article having the same corresponding number, (excepting those motions held).”

Seconded.

Jeff Hubbard said: “As we typically do at every Town Meeting, we seek to include a number of routine but necessary articles that are not controversial in one consent motion. This allows us to limit the duration of the meeting, which again this year is even more important to us due to the ongoing pandemic, so that we can give more time to issues that are more likely to engender debate.”

Town Moderator recognized Rosemary Kennedy.

Rosemary Kennedy (61 Rust St.) wanted to make sure 3.1 was included.

Town Moderator responded that 3.1 was taken out as it required a 2/3rds vote in an effort to clarify the situation.

Vote: Motion carries.

Motion made by a resident to take article 3-1 out of order.

Seconded.

Vote: Motion carries.

ARTICLE 2020/6 3-1 Lease of Town Land at Chebacco Road

Town Moderator recognized John Pruellage.

John Pruellage said: “I move that the Town approve Article 3-1 as printed in the Warrant.”

Seconded.

John Pruellage said: “This article permits the Town to lease property owned by the Town to the Marsh Rats Shooting Club. The lease will generate approximately \$9,000 for the next three years but does provide flexibility for the Town Manager to extend the lease or to find an alternative use for the property over the next few years. As the Marsh Rats were the only organization to respond to the RFP in the short term, this is the best use of the property. The FinCom recommends approval of the article.”

Town Moderator noted that the article required a 2/3rds vote as it was in regard to the lease of Town owned land.

Vote: Motion carries by 2/3rds majority.

SECTION 2: FINANCIAL ACTIONS

Motion made by a resident to take multiple articles out of order due to the limitations set by Covid 19 as they apply to Town Meeting.

Seconded.

Vote: Motion carries.

ARTICLE 2020/6 2-8 Annual Budget for Revolving Funds.

Town Moderator recognized John Pruellage.

John Pruellage said: “I move that the Town vote, pursuant to Massachusetts General Laws, Chapter 44, Section 53E ½, to establish limitations on expenditures from Revolving Funds, with such expenditure limits to be applicable from fiscal year to fiscal year unless otherwise amended by Town Meeting prior to July 1 for the upcoming fiscal year, as follows:

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Recreation and Parks Fund, \$350,000; Pool Fund, \$125,000; Council on Aging Fund, \$20,000; Emergency Dispensing Services and Clinics, \$20,000.”

Seconded

Mr. Pruellage said these revolving are spending limits for the funds and are not the budgets. For some such as the parks and pools funds, there is a good chance the spending will be below this level because the idea for a revolving fund is that you are only spending when you have the revenue so there is a balance at the end of the year. The FinCom believes these spending limits are consistent with what has been spent in the past and could be spent in the coming year. We feel they are responsible and unanimously recommend favorable action on this article.

Vote: Motion carries.

ARTICLE 2020/6 2-11 Patton Homestead Operating Budget

Town Moderator recognized Shawn Farrell.

Shawn Farrell read: “I move that the Town raise and appropriate \$90,571 to the Patton Homestead Fund.”

Seconded.

Town Moderator recognized Joe Domelowicz.

Joe Domelowicz said the budget was in an effort to have the homestead become self-sustaining but with the understanding of financial constraints, the budget was reduced including the Director’s hours. Mr. Domelowicz said the Director would help create a self-sustaining property or find a way to divest the Town of ownership.

Town Moderator recognized Valerie McCormack.

Valerie McCormack said the FinCom unanimously recommend favorable action on Article 2-11. Kaleigh Pare (Patton Homestead Director) said her hours had been cut by 2/3rds adding that half of the budget returned to the Town leaving only \$46,000 for the property itself. Joe Domelowicz said \$20,000 of the budget was for items such as insurance, heating, and maintenance, all of which needed to be paid.

Vote: Motion carries.

ARTICLE 2020/6 2-12 Stabilization Fund.

Town Moderator recognized William Olson.

William Olson read: “I move that the Town transfer the sum of \$247,757 from Free Cash to the Stabilization Fund.”

Seconded.

John Pruellage explained that the article would move funds to a stabilization fund which is consistent with financial policy. The transfer was an incremental step to build the fund to be 5% of the budget. After this transfer, the Town will be at 4.3% or almost to goal. The transfer would not affect the tax rate. The FinCom recommended favorable action.

Vote: Motion carries.

ARTICLE 2020/6 2-13 Capital Stabilization Fund.

Town Moderator recognized Rosemary Kennedy.

Rosemary Kennedy read: “I move that the Town transfer the sum of \$907,592 from Free Cash to the Capital Stabilization Fund.”

Annual Town Meeting cont.

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Seconded.

Joe Domelowicz said the transfer would protect the Town from the impact of future expenses. John Pruellage added that the transfer would not affect the tax rate. Capital expenditures would be proposed in the fall.

Joyce Wendling ask for further explanation. Marisa Batista explained the certification of free cash process. According to Ms. Batista, the Town had \$3M of approved free cash. \$1.1M was to be used for both stabilization funds. The balance would remain with the Town, when the State would certify the new number for FY21. Ms. Batista said free cash had been used to reduce the tax rate and was typically used to pay for one-time expenses, which is why the capital stabilization fund was created.

Richard Garmelie (Highland St.) asked why the Town should not use free cash to pay for the School budget. John Pruellage clarified FinCom's perspective as to why the policy had been established adding that operating expenses should not be used to pay for one-time expenses. If the Town used free cash to balance the operating budget, eventually free cash would run out. Ms. Pruellage said defeating the request would not affect the tax rate. Marisa Batista said capital expenditures would be deferred until Fall Town Meeting. Richard Garmiele responded that he did not believe Town Counsel understood the current fiscal situation.

Vote: Motion carries. Counted vote 373 aye to 131 nay.

ARTICLE 2020/6 2-2 General Town Departmental Appropriations.

Town Moderator read each appropriation and asked voters to place a hold on any items they wished to discuss separately.

\$2,087,441.43	for General Town Government
\$3,251,120.09	for Public Safety
\$19,888,662.00	for Hamilton-Wenham Regional School District (Hold)
\$253,524.00	for Essex North Shore Agricultural & Technical School District
\$1,977,295.13	for Department of Public Works
\$273,186.40	for Health and Human Services
\$1,082,302.90	for Culture and Recreation
\$3,344,361.89	for Unclassified

Totaling \$32,157,893.84

Town Moderator recognized Julie Kukenberger (Superintendent of Schools)

Julie Kukenberger offered a high level overview of what was known, what had been done, and what was needed to move forward. Dr. Kukenberger recalled that in February, the School Committee approved a budget of \$38,297,952. Currently, the School Committee had reduced the budget by \$1.472M to respond to the decrease in revenue due to Covid 19. Previously, the School Committee anticipated \$4.7M in revenue but were currently expecting \$3.6M. There would be a 22.92% reduction in State aid (Chapter 70, circuit breaker, and regional transportation). Dr. Kukenberger noted that taxpayers carried the burden of public education. As Covid 19 had stressed families, the budget was less than what District needed for known needs not even considering the additional needs based on the virus. The Schools had reduced

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their staff by 23 positions and had reallocated existing resources such as grants and donations. The proposed \$37,023,572 budget reflected a 5.93% increase.

Julie Kukenberger explained the change over the last three months. Dr. Kukenberger said the most vulnerable students needed special education placements and the Schools were enhancing some programs to keep more of the students in the system. Dr. Kukenberger said there was no change in the debt service since February and capital projects such as the Winthrop School sprinkler system needed to be funded. Dr. Kukenberger said capital expenditures would be provided for in a separate article.

Julie Kukenberger said education was a core function of a thriving economy. Flexibility would be required to anticipate the social and emotional needs of students, staff, and families. Dr. Kukenberger stated this was a crisis budget rather than a strategic budget. Along with setting up the incoming superintendent to work with teachers and families, a system to collaborate with Town officials was being considered. Dr. Kukenberger described the safety supplies, technologies, physical barriers, supervision, signage, and transportation changes that would be required when school reopened. One to one technology would cost between \$322,000 and \$370,000. \$138,000 would be needed for a twelve week supply of safety equipment. The capital requests of \$958,000 would be a separate vote for infrastructure costs. \$50,000 would be sought in safety grants. An educational plan, supported by the community, was needed to apply for the MSBA grants for updating the schools. Additional tables and chairs were needed and the ten-year old turf field plan needed updating. The Middle School entrance needed improvements. Dr. Kukenberger concluded that since this was the largest Town Meeting since the 1950's, an investment in the Schools was proven to be a value to the community.

Town Moderator recognized Joe Domelowicz

Joe Domelowicz said the FY21 total spending for the Schools and Town was \$34,189,580. The Town had decreased its budget by \$320,000. Mr. Domelowicz said 60% of the budget was devoted to the Schools. Property tax revenue accounted for 88%. State aid accounted for 2.1% of the budget. Mr. Domelowicz explained the tax rate went from 16.98 in FY20 to 17.85 in FY21. Valuations had remained flat. Excess levy capacity was shown to be \$147,000 below its ceiling. Any increases for next year of more than 2.5% would cause an override. Mr. Domelowicz noted that the Town had decreased its cost by not having summer help to mow the park and shared positions at Town Hall. Mr. Domelowicz said no further cuts could be experienced the following year. A median house of \$530,000 would experience a tax increase of \$445 per year if the articles were to pass.

Town Moderator recognized Bruce Tarr.

Bruce Tarr was inspired by so many people gathering for Town Meeting. Mr. Tarr recognized Peter Clark, Edwin Howard, and Jeff Hubbard for their service to the town. Mr. Tarr said the State was waiting to determine the assistance of the Federal Government but would provide aid information once it was known.

Town Moderator recognized Christina Schenk Hargrove.

Christina Schenk Hargrove said; "I move that the Town raise and appropriate the sums read by the Moderator for schools and all other Town expenses, which are set forth in the 2021 FY

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budget in Appendix B in the 2020 Appendix Book and Appendix C of the 2020 Appendix Book with the corrections read by the Moderator.

Seconded.

Christina Schenk Hargrove explained the two corrections to the summary amount (2.2 in the fourth paragraph indicating the School increase of \$2.5M should be 8.25% for Hamilton and late information received from North Shore Vocational School would be decreased by \$1M from the previous year.) The changes would not change the amount requested by the Town or the Schools.

Joe Domelowicz said the Town had proposed an increase of 3.7% but it was clear that Federal and State cuts would require further reductions to the operating budget. Layoffs did not occur but hours were cut and positions were combined. The operating budget for Hamilton was 5% lower than the previous year. Mr. Domelowicz noted that Hamilton's share of the regional Schools budget was 64%. Mr. Domelowicz said the Schools did not cut their budget in response to the pandemic but increased their budget by 8.5%. The Selectmen decided to provide the budget in two parts for the full Town budget and a 5% increase for Hamilton's share of the School budget. The second article would provide the remainder of the 8.5% ask. Mr. Domelowicz said the average School increase over the last few years was 5% and an override would be required to raise taxes if an increase was more than 2.5% in the future.

Town Moderator recognized William Olson.

William Olson said the Selectmen had worked hard to bring choices to Town Meeting.

Town Moderator recognized Gene Lee.

Gene Lee (Anthony Road) moved to amend article 2-2 by increasing the amount for the School District by \$603,075 to reflect the full amount approved by the Hamilton Wenham School Committee on May 27, 2020 and then certified by the treasurer. The full amount inclusive of this addition will be \$20,227,834.

Seconded.

Gene Lee said the Schools were anticipating a 20% decrease in funding (\$1.27M). Twenty three staff members had been cut. Reducing the budget would result in cuts in arts, sports, and electives. Mr. Lee said a 5% increase was required to educate students. Mr. Lee recalled the need for an addition kindergarten and preschool classes in FY20. Mr. Lee added that the Schools' charge was to raise academic achievement. Mr. Lee said the budget presented the high quality of the schools. If a reduction occurred, additional services and academic programming for all students would be jeopardized.

Town Moderator recognized David Wanger.

David Wanger (FinCom chair) said as a private citizen he was in opposition of the consolidation of the two articles as he wanted residents to be able to parse out the 5% and 3.25% requests. The combined request would result in a tax rate increase of \$.84 with an average home of \$613,000 paying above \$10,500 and an \$800,000 home paying more than \$14,000 per year in taxes not including the 2% CPA charge. Mr. Wanger was concerned that the approval would bring the Town close to the tax levy capacity limit, which in the past caused a contentious atmosphere for years. The approval would also become the tax base for future increases to be based upon. Mr. Wanger noted the unfunded \$40M OPEB liability of which Hamilton was responsible for \$24M.

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Mr. Wanger added that the voters assembled were concerned with one issue but the entire community needed police, fire, public works, and administrative services, which also benefited the Schools and citizens. Mr. Wanger said the Town had reduced the budget by 5% and it appeared State aid reduction was not likely to occur. Mr. Wanger concluded by saying that if you came to be a one issue voter, please consider the entire community. Twenty percent of the town are School participants but 100% are participants in the community. If the community falters, the Schools and entire community will suffer.

Michelle Horgan (School St.) said that if State funding is returned to the Schools, anything above 3% would become Excess and Deficiencies and be returned to the Towns. Bruce Ramsey had opined that the two articles could not be merged but Town Moderator responded that he had spoken with Town Counsel and others to determine that the two articles could be merged. Marc Gray (Bay Road) asked about how article 2-3 would be affected. Town Moderator responded it would be passed over.

Town Moderator recognized Rosemary Kennedy.

Rosemary Kennedy (61 Rust St.) said she supported children and schools but as Selectman voted in opposition of having the articles merged. Ms. Kennedy listed the other MA school districts that had decreased their proposed budgets in response to the pandemic. Ms. Kennedy said the reduction was a shared sacrifice between Town and School administration. Ms. Kennedy said there was a current 20% unemployment rate in Hamilton and thought the \$750 increase would be a burden to many households.

Larry Sargent (Ricker Circle) spoke in favor of having two articles.
Vote to amend: Motion carries.

ARTICLE 2020/6 2-2 as amended.

Rick Mitchell (Rock Maple) spoke against the article and suggested an operational audit.

Jay Burnham (North St.) spoke against the article.

Richard Garmiel (Highland St.) spoke against the article.

Bill Olson (Highland St.) spoke in favor of the article.

Ann Brady (Gifford Road) spoke in favor of the article.

Ann Geike (Highland St.) asked about the implications of Wenham not passing the article. The response was that if Wenham did not pass the budget, a Special Town Meeting would be held.

Town Moderator recognized Christina Schenk Hargrove.

Christina Schenk Hargrove said; "I move that the Town raise and appropriate \$32,760,968.84 for the Schools and all other Town expenses which are set forth in the 2021 fiscal year budget in Appendix B of the 2020 Appendix Book and Appendix C of the 2020 Appendix Book with the amendment that was proposed adding \$603,075."

Seconded.

Vote: Motion carries.

ARTICLE 2020/6 2-4 School District Capital Expenditures Approval of Borrowing.

Town Moderator recognized Valerie McCormack.

Valerie McCormack said: "I move that the Town, in accordance with General Laws Chapter 71,

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Section 16(d), approve the borrowing authorized by the Hamilton-Wenham Regional School District School Committee in the amount of \$958,000 for the purchase and equipping of the items listed in the District's FY21 Capital Projects Budget, including the payment of all incidental or related costs, as set forth in the Warrant; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters at an election of a Proposition 2 ½, so called, debt exclusion allowing the Town to raise the money needed to repay its share of the principal and interest on such bonds or notes outside the limits established by MGL Chapter 59, Section 21C.

Seconded

Vote: Motion carries.

SECTION 3: OTHER APPROPRIATIONS AND ACTIONS.

ARTICLE 2020/6 3-5 Citizen's Petition

Town Moderator recognized Larry Sargent.

Larry Sargent said: "I move to take no action on Article 3-5."

Seconded.

The topic would be discussed at the next Town Meeting. Shawn Farrell agreed.

Vote: Motion carries.

ADJOURNMENT

The Moderator said: "I will now accept a Motion to dissolve."

Motion made.

Seconded.

Vote: Motion carries.

This Annual Town Meeting is now dissolved at 11:47 am on June 20, 2020.

Finance Department

Overview

The Town's financial position continued to improve during fiscal year 2020. Total assessed valuation increased by 2.2% in fiscal year 2020 to \$1,707,055,806, reflecting a strong Real Estate market for residential property. Income levels remained strong with a median household income (in 2019 dollars) for the Town of Hamilton of \$127,813, according to the U.S. Census Bureau. The unemployment rate for the Town (according to Homefacts.com as of November of 2020) was 5.2%, remaining below the statewide and national averages of 6.2% and 5.9%, respectively.

Standard and Poor's (S&P) reaffirmed the Town's bond rating at AAA (S&P's highest rating). Analysts noted that the rating reflects a strong budgetary flexibility, strong liquidity and strong financial management.

General Fund: The general fund is the chief operating fund of the Town. At the end of fiscal year 2020, unassigned fund balance of the general fund totaled \$5,176,086, while the total fund balance was \$8,450,560. The Town recognized a budgetary surplus of approximately \$1,670,000 and utilized approximately \$1,275,000 of reserves to fund appropriations during fiscal year 2020. The Town's certified free cash for fiscal 2020 was \$3,033,888. The Spring Town Meeting committed \$1,155,349 of free cash by voting to transfer to General and Capital Stabilization Funds in accordance to adopted financial policies.

The Town's local receipts remain constant and the collection of committed taxes remains strong as evidenced by our +/-98.2% collection rate. However, spending in all major categories has increased over time. With costs continuing to be on the rise and the slow, steady growth in revenues will likely result in future budget pressures.

Other Governmental Funds: The Town's other funds – Gifts, Grants, Revolving, Capital Projects and Trusts – all closed the year with positive balances, with the exception of minor deficits in four grant funds and the Chapter 90 deficit of \$531,572 reimbursed from the State subsequent to year end. Currently, the Town has three major ongoing Capital Projects: Water Distribution, Water Treatment Plant projects and Chebacco Road Paving.

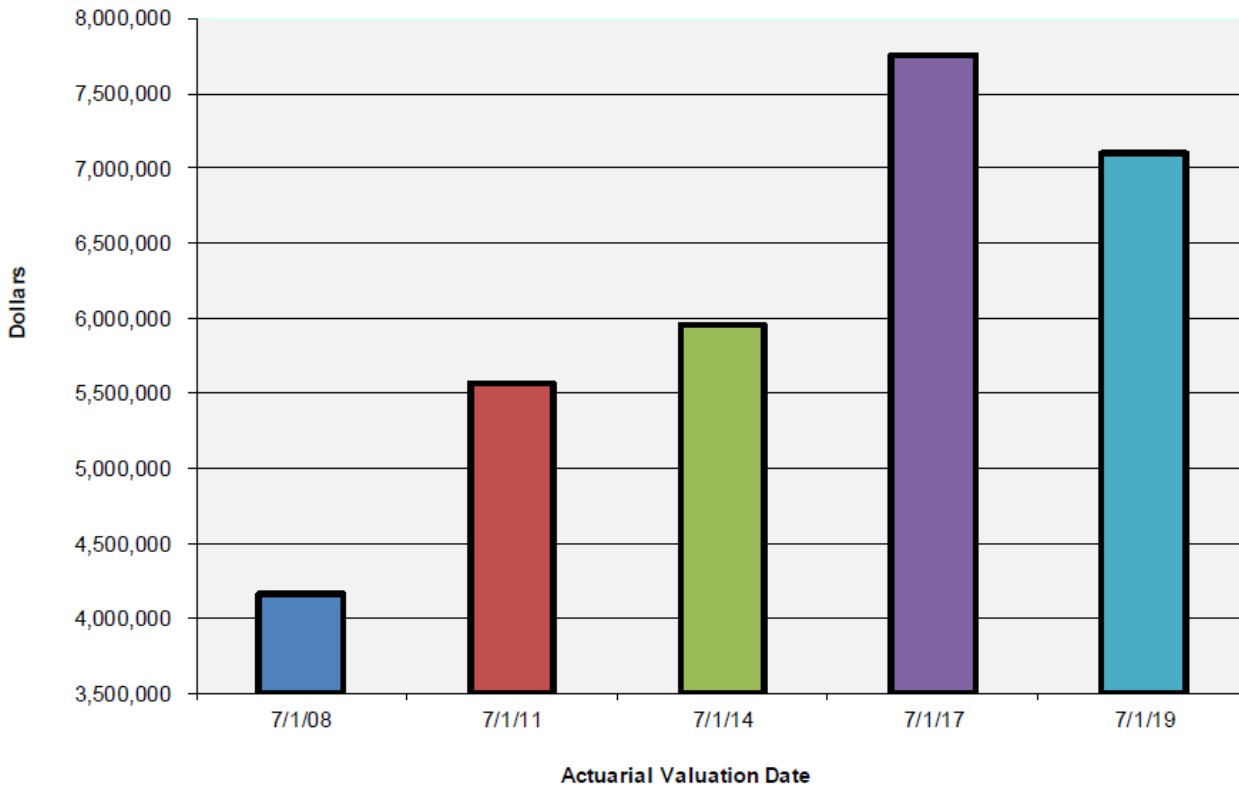
Community Preservation Fund: The State continues to match local CPA surcharges. The match received in FY2020 (\$108,610) was 23.9% of the FY19 surcharge receipts of \$453,104. The anticipated match is carefully monitored by the Community Preservation Committee and the State continues to request that Towns budget conservatively for this revenue. Collection of CPA surcharge revenue remains robust, with approximately 98.5% of committed receipts actually collected. Debt service for the Donovan Property and Sagamore Hill land acquisition is a substantial annual CPA Fund obligation (\$153,500 principal and interest payment in FY20); the Donovan Property debt matured in FY20 and Sagamore Hill debt matures in FY32.

Enterprise Funds: During fiscal year 2020, the water enterprise fund operating revenues were \$1,782,256 to an operating expense of \$1,275,817 resulting in operating income of \$506,439. The year closed with an outstanding receivable in water user charges of \$514,039.

Other Post-Employment Benefits (OPEB)

At the end of fiscal year 2020, the OPEB Trust total fund balance was \$660,605. An updated Actuarial Report for OPEB will be performed during fiscal year 2022. The graph below shows the unfunded liability as of July 1, 2019:

Unfunded OPEB Liability



Debt

Outstanding debt as of June 30, 2020 is as follows:

Governmental Funds

Project	Maturity Date	Interest Rate %	Outstanding at June 30,	Issued	Redeemed	Outstanding at June 30,
			2019			2020
Library Refunding	5/15/2020	2.00 - 3.00	\$ 110,000	\$ -	\$ (110,000)	\$ -
Donovan Property	5/15/2020	2.00 - 3.00	40,000	-	(40,000)	-
Energy Services Contract (ESCO)	5/15/2020	2.00 - 3.00	25,000	-	(25,000)	-
Landfill Capping	5/15/2030	2.00 - 4.00	940,000	-	(90,000)	850,000
Fire Truck	5/15/2027	2.00 - 4.00	560,000	-	(70,000)	490,000
Public Safety Building - Refunding	9/15/2025	2.00 - 4.00	1,935,000	-	(285,000)	1,650,000
Landfill Closure	3/15/2022	2.00	110,000	-	(40,000)	70,000
Sagamore Hill Land Acquisition	3/15/2032	2.00 - 3.00	1,080,000	-	(85,000)	995,000
Chebacco Road Paving	11/1/2034	2.00 - 5.00	-	940,000	-	940,000
Total governmental funds			\$ 4,800,000	\$ 940,000	\$ (745,000)	\$ 4,995,000

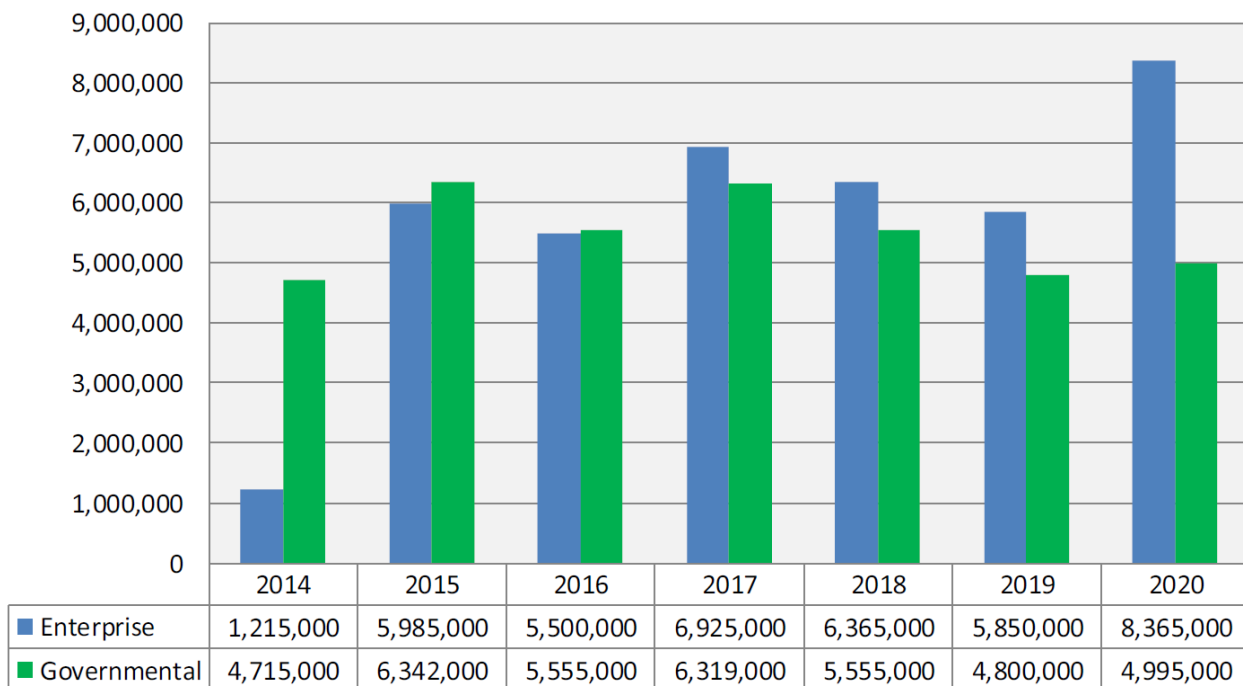
Finance Department Cont.

Water Enterprise Fund

	Maturity	Interest	Outstanding at June 30,			Outstanding at June 30,
Project	Date	Rate %	2019	Issued	Redeemed	2020
Water Bonds Refunding	05/15/20	2.00 - 3.00	\$ 165,000	\$ -	\$ (165,000)	\$ -
Water System Reconstruction	05/15/35	2.00 - 4.00	3,975,000	-	(255,000)	3,720,000
Water System Reconstruction	03/15/37	2.00 - 3.00	1,710,000	-	(95,000)	1,615,000
Water Distribution System	11/1/2039	2.00 - 5.00	-	1,255,000	-	1,255,000
Water Distribution System Phase	11/1/2039	2.00 - 5.00	-	1,600,000	-	1,600,000
Water Treatment Plant	11/1/2039	2.00 - 5.00	-	175,000	-	175,000
Total enterprise funds			\$ 5,850,000	\$ 3,030,000	\$ (515,000)	\$ 8,365,000

In addition, the Town paid its share of the Hamilton-Wenham Regional School District (HWRSD) debt service payments totaling \$255,357.

The graph below shows the total outstanding debt for the current and past five years:



Financial Audit

The Town's Financial Statements audit for fiscal year 2020 was performed by CliftonLarsonAllen LLP, and is available on the Town's website. There were no instances of material non-compliance reported by the audit firm. For further information regarding the Town's financial status, please refer to the Town's Financial Statements.

Board of Assessors

For Fiscal Year 2020, the total assessed taxable valuation of Hamilton was \$1,707,055,806 with a property tax levy of \$28,985,807. The fiscal year 2020 tax rate as certified by the Department of Revenue was \$16.98 up \$.50 from the previous year. Building permits issued in FY2020 resulted in an additional \$186,580 in tax levy growth for FY2020.

In FY2020, the Board of Assessors completed their interim values, adjusting properties in the town of Hamilton as required by the Department of Revenue. Under Massachusetts law, this Board is required to value all of Hamilton's 2932 properties at 100 percent of their full and fair cash valuation, thereby insuring an equitable distribution of the property tax levy. The town's average residential single-family valuation was \$613,400.

More importantly, the Assessors office believes that we have met our statutory obligation to re-establish proper assessment level and uniformity throughout the town of Hamilton. Final Department of Revenue certification of assessed valuations was granted in December and property tax bills were subsequently mailed at the end of December. The current valuation and levy percentages based upon property class are as follows:

Residential	1,630,700,500	95%	27,689,294
Commercial	62,387,800	3%	1,059,344
Industrial	730,400	1%	12,402
Personal	13,237,100	1%	224,755
Totals	1,707,055,800	100%	28,985,807

FY2020 was a transitional year for the Assessor's Office. Longtime Director of Assessors Tina Zelano retired and was replaced by John Speidel. Longtime Board Members Gelean Campbell and Peter Kane retired and were replaced by Chris Campbell and Joe Shaktman. Also retiring after 27 years was Valuation Specialist Tom Hogan.

Also in FY2020, the Assessor's office processed applications for excise abatements, CH91, Elderly, Veteran Exemptions, and CPA Exemptions.

We would like to assure all property owners that the Board of Assessors will continue its effort to meet the challenge of maintaining equitable assessments in this current real estate market.

Respectfully submitted,

Steven Ozahowski Chairman
Chris Campbell, Member
Joe Shaktman Member

Treasurer/ Collector

I hereby submit my Annual Report as Treasurer/Collector for the Town of Hamilton for the fiscal year ended June 30, 2020.

July 1, 2019	\$ 11,605,169
Receipts	\$ 39,365,422
Disbursements	<u>\$(35,658,084)</u>
June 30, 2019	<u><u>\$ 15,312,507</u></u>

Respectfully Submitted,

Peggy McLoughlin, CMMT, CMMC

Treasurer/Collector

Independent Auditor's Report Cont.

<u>COLLECTIONS</u>	<u>YEAR</u>	<u>July - December</u>	<u>January - June</u>	<u>Total</u>
REAL ESTATE	2020	\$ 13,359,524	\$ 14,862,597	\$ 28,222,121
	2019	\$ 184,972	\$ 42,522	\$ 227,494
		<u>\$ 13,544,496</u>	<u>\$ 14,905,119</u>	<u>\$ 28,449,615</u>
PERSONAL PROPERTY	2020	\$ 110,642	\$ 113,116	\$ 223,758
	2019	\$ 506	\$ 2	\$ 508
		<u>\$ 111,148</u>	<u>\$ 113,118</u>	<u>\$ 224,266</u>
MOTOR VEHICLE EXCISE	2020	\$ -	\$ 968,623	\$ 968,623
	2019	\$ 152,430	\$ 20,647	\$ 173,077
	2018	\$ 5,770	\$ 1,706	\$ 7,476
	2017	\$ 1,907	\$ 297	\$ 2,204
		<u>\$ 160,107</u>	<u>\$ 991,273</u>	<u>\$ 1,151,380</u>
BOAT EXCISE	2020	\$ 1,500	\$ 571	\$ 2,071
	2019	\$ 146 #	\$ -	\$ 146
		<u>\$ 1,646</u>	<u>\$ 571</u>	<u>\$ 2,217</u>
WATER				
Rates		\$ 896,436	\$ 727,103	\$ 1,623,539
General Billing		\$ 3,491	\$ 10,145	\$ 13,636
Liens		\$ 3,163	\$ 33,315	\$ 36,478
Penalties & Interest		\$ 8,125	\$ 4,549	\$ 12,674
		<u>\$ 911,215</u>	<u>\$ 775,112</u>	<u>\$ 1,686,327</u>
CPA	2020	\$ 224,259	\$ 249,213	\$ 473,472
	2019	\$ 2,121	\$ 763	\$ 2,884
	Interest	\$ 311	\$ 366	\$ 677
		<u>\$ 226,691</u>	<u>\$ 250,342</u>	<u>\$ 477,033</u>
TAX TITLES		<u>\$ 7,312</u>	<u>\$ 27,873</u>	<u>\$ 35,185</u>
PENALTIES & INTEREST		<u>\$ 1,833</u>	<u>\$ 4,600</u>	<u>\$ 6,433</u>
TOTAL		<u><u>\$ 14,964,448</u></u>	<u><u>\$ 17,068,008</u></u>	<u><u>\$ 32,032,456</u></u>

**TOWN OF HAMILTON, MASSACHUSETTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**



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OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**TOWN OF HAMILTON, MASSACHUSETTS
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INDEPENDENT AUDITORS' REPORT

Honorable Board of Selectmen
Town of Hamilton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hamilton, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Hamilton, Massachusetts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



(1)

Independent Auditor's Report Cont.

Honorable Board of Selectmen
Town of Hamilton, Massachusetts

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hamilton, Massachusetts, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 3 through 10), general fund and community preservation fund budgetary comparisons and certain pension and other postemployment benefits information (located on pages 64 through 71) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the Town of Hamilton, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hamilton, Massachusetts' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
January 28, 2021

TOWN OF HAMILTON, MASSACHUSETTS MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

As management of the Town of Hamilton, Massachusetts (the Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,553,406 (net position). The Town had an unrestricted deficit at the end of the current fiscal year totaling \$9,945,624.
- The Town's total net position increased by \$2,466,139 in the current fiscal year.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$5,176,086, or 16.85% of total general fund expenditures and transfers out.
- The Town's total bonded debt increased by \$2,938,486 during the fiscal year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, etc.).

TOWN OF HAMILTON, MASSACHUSETTS MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation and debt service (interest). Business-type activities include the water and waste removal operations.

The government-wide financial statements can be found on pages 12 through 14 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. Fiduciary funds

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balance of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 106 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the general fund and community preservation (special revenue) fund, which are considered to be major funds. Data from the other 104 governmental funds are combined into a single, aggregated presentation titled nonmajor governmental funds.

The basic governmental funds financial statements can be found on pages 15 through 18 of this report.

TOWN OF HAMILTON, MASSACHUSETTS MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Proprietary Funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its operations. The water enterprise fund is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Private-purpose trust funds are reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the caption "private purpose trust funds".

The basic fiduciary fund financial statements can be found on pages 22 through 23 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-63 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and community preservation fund and certain pension and other postemployment benefits information, which can be located on pages 64 through 71 of this report.

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,553,406 at the close of the fiscal year and are summarized as follows:

**TOWN OF HAMILTON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current Assets	\$ 13,994,536	\$ 11,429,092	\$ 3,359,334	\$ 1,813,096	\$ 17,353,870	\$ 13,242,188
Noncurrent Assets (Excluding Capital Assets)	403,673	398,552	-	-	403,673	398,552
Capital Assets (Net)	21,783,444	21,307,730	12,008,742	12,190,544	33,792,186	33,498,274
Total Assets	36,181,653	33,135,374	15,368,076	14,003,640	51,549,729	47,139,014
Deferred Outflows of Resources	2,243,630	2,674,172	146,763	168,637	2,390,393	2,842,809
Liabilities						
Current Liabilities (Excluding Debt)	920,117	970,810	132,932	1,636,253	1,053,049	2,607,063
Noncurrent Liabilities (Excluding Debt)	18,023,129	19,428,614	1,175,544	1,156,775	19,198,673	20,585,389
Current Debt	655,165	774,770	523,076	523,412	1,178,241	1,298,182
Noncurrent Debt	4,636,793	4,273,730	8,152,335	5,456,971	12,789,128	9,730,701
Total Liabilities	24,235,204	25,447,924	9,983,887	8,773,411	34,219,091	34,221,335
Deferred Inflows of Resources	2,034,540	638,940	133,085	34,281	2,167,625	673,221
Net Position						
Net Investment in Capital Assets	18,200,805	16,823,870	5,073,305	4,970,794	23,274,110	21,794,664
Restricted	4,224,920	3,982,840	-	-	4,224,920	3,982,840
Unrestricted	(10,270,186)	(11,084,028)	324,562	393,791	(9,945,624)	(10,690,237)
Total Net Position	\$ 12,155,539	\$ 9,722,682	\$ 5,397,867	\$ 5,364,585	\$ 17,553,406	\$ 15,087,267

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, intangible assets, construction in progress, improvements, buildings, machinery and equipment, vehicles, library books, software, and infrastructure); less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

The Town has no unrestricted net position available for the support of governmental activities. Such resources have been consumed with the recognition of net pension and other postretirement benefit liabilities. The Town has \$324,562 that may be used to support business-type activities.

**TOWN OF HAMILTON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Changes in Net Position

For the fiscal year ended June 30, 2020, the Town's total net position increased by \$2,466,139, compared to an increase of \$1,212,207 in the prior fiscal year. These amounts are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 1,047,802	\$ 1,540,679	\$ 1,782,256	\$ 1,666,715	\$ 2,829,858	\$ 3,207,394
Operating Grants and Contributions	661,738	753,962	9,281	17,324	671,019	771,286
Capital Grants and Contributions	534,726	421,763	-	-	534,726	421,763
General Revenues:						
Real Estate and Personal Property Taxes	28,870,695	27,354,265	-	-	28,870,695	27,354,265
Motor Vehicle and Other Excise Taxes	1,168,124	1,221,229	-	-	1,168,124	1,221,229
Meals Tax	66,051	75,014	-	-	66,051	75,014
Penalties and Interest on Taxes	72,560	79,213	-	-	72,560	79,213
Payments in Lieu of Taxes	35,557	34,580	-	-	35,557	34,580
Community Preservation Surcharges	480,926	453,639	-	-	480,926	453,639
Grants and Contributions not Restricted to Specific Programs	862,526	826,983	-	-	862,526	826,983
Unrestricted Investment Income	109,346	152,573	-	-	109,346	152,573
Total Revenues	33,909,851	32,913,900	1,791,537	1,684,039	35,701,388	34,597,939
Expenses						
General Government	2,733,926	3,121,414	-	-	2,733,926	3,121,414
Public Safety	4,622,891	4,577,949	-	-	4,622,891	4,577,949
Education	19,184,238	18,621,919	-	-	19,184,238	18,621,919
Public Works	2,374,595	2,687,835	-	-	2,374,595	2,687,835
Health and Human Services	674,636	849,765	-	-	674,636	849,765
Culture and Recreation	1,942,624	1,979,848	-	-	1,942,624	1,979,848
Hamilton Development Corporation	74,880	65,000	-	-	74,880	65,000
Debt Service - Interest	118,884	124,920	-	-	118,884	124,920
Water	-	-	1,508,575	1,357,082	1,508,575	1,357,082
Total Expenses	31,726,674	32,028,650	1,508,575	1,357,082	33,235,249	33,385,732
Change in Net Position Before Transfers	2,183,177	885,250	282,962	326,957	2,466,139	1,212,207
Transfers, Net	249,680	231,178	(249,680)	(231,178)	-	-
CHANGE IN NET POSITION	2,432,857	1,116,428	33,282	95,779	2,466,139	1,212,207
Net Position - Beginning of Year	9,722,682	8,606,254	5,364,585	5,268,806	15,087,267	13,875,060
NET POSITION - END OF YEAR	\$ 12,155,539	\$ 9,722,682	\$ 5,397,867	\$ 5,364,585	\$ 17,553,406	\$ 15,087,267

Governmental activities increased the Town's net position by \$2,432,857. In the prior year, governmental activities increased the Town's net position by \$1,116,428. The key elements of this change were the decreases in pension and OPEB expenses from the previous year.

Business-type activities increased the Town's net position by \$33,282. In the prior year, business-type activities increased the Town's net position by \$95,779. The key element of this change was a slight increase in expenses in fiscal year 2020.

**TOWN OF HAMILTON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Fund Financial Statement Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balance of expendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balance totaling \$12,647,942, an increase of \$2,499,977 in comparison with the prior year. Approximately \$5,135,000 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable (\$294,020)
- Restricted (\$4,625,123)
- Committed (\$2,512,453)
- Assigned (\$81,056)

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$5,176,086, while total fund balance was \$8,450,560. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents 16.85% of total general fund expenditures and transfers out, while total fund balance represents 27.51% of that same amount.

The balance of the Town's general fund increased by \$1,415,854 during fiscal year 2020. The Town recognized a budgetary surplus of approximately \$1,670,000 (excluding encumbrances and continuing appropriations) and utilized approximately \$1,275,000 of reserves to fund appropriations during fiscal year 2020.

Financial highlights of the Town's other major governmental fund is as follows:

The fund balance of the community preservation fund (special revenue) decreased by \$266,190 during the current fiscal year. The fund recognized \$476,870 in surcharges, \$108,610 in intergovernmental revenue, and \$15,261 of investment income. Expenditures and transfers out of \$666,931 and \$200,000, respectively, were incurred during the fiscal year.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**TOWN OF HAMILTON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Unrestricted net position of the water enterprise fund at the end of the year amounted to \$324,562. The water fund had an increase in net position for the year of \$33,282. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The original general fund budget totaled \$33,179,725. During the year, appropriations were reduced by \$161,692 for various purposes.

During the year, general fund revenues and expenditures and encumbrances and continuing appropriations were less than budgetary estimates, resulting in a positive budget to actual variance of approximately \$1,296,000. Encumbrances and continuing appropriations totaled \$374,065 at year-end.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$33,792,186 (net of accumulated depreciation). This investment in capital assets includes land, intangible assets, improvements, buildings, machinery and equipment, vehicles, library books, software, infrastructure and construction in progress. The total increase in the investment in capital assets for the current fiscal year totaled \$293,912 or 0.87%.

Major capital asset events that occurred during the current fiscal year include the following:

- Town Hall construction in progress (\$649,000)
- Roads construction in progress (\$414,000)
- Patton Homestead improvements (\$379,000)
- Water treatment plant construction in progress (\$190,000)

The following table summarizes the Town's capital assets (net of accumulated depreciation):

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,373,848	\$ 2,373,848	\$ 283,912	\$ 283,912	\$ 2,657,760	\$ 2,657,760
Intangible Assets	1,750,000	1,750,000	-	-	1,750,000	1,750,000
Land Improvements	2,807,797	2,512,530	-	-	2,807,797	2,512,530
Buildings	7,492,320	7,834,632	2,014,954	2,094,664	9,507,274	9,929,296
Machinery and Equipment	1,073,854	1,189,383	10,565	15,086	1,084,419	1,204,469
Vehicles	1,189,952	1,219,445	86,048	112,045	1,276,000	1,331,490
Infrastructure	3,754,452	3,890,003	9,423,413	9,684,837	13,177,865	13,574,840
Construction in Progress	1,341,221	537,889	189,850	-	1,531,071	537,889
Total Capital Assets	<u>\$ 21,783,444</u>	<u>\$ 21,307,730</u>	<u>\$ 12,008,742</u>	<u>\$ 12,190,544</u>	<u>\$ 33,792,186</u>	<u>\$ 33,498,274</u>

Additional information on the Town's capital assets can be found in Note 5 of this report.

**TOWN OF HAMILTON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$13,967,369, which is backed by the full faith and credit of the Town and consists entirely of general obligation bonds.

The Town's total bonded debt increased by \$2,938,486 during the current fiscal year.

Additional information on the Town's long-term debt can be found in Note 10 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town Hall, 577 Bay Road, Hamilton, Massachusetts 01936.

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**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Hamilton Development Corporation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 5,759,848	\$ 1,095,229	\$ 6,855,077	\$ -
Restricted Cash and Cash Equivalents	3,441,672	1,739,974	5,181,646	67,315
Investments	2,296,098	-	2,296,098	-
Restricted Investments	1,167,576	-	1,167,576	-
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes	559,688	-	559,688	-
Tax and Utility Liens	99,630	10,092	109,722	-
Motor Vehicle and Other Excise Taxes	121,229	-	121,229	-
Community Preservation Surcharges	7,863	-	7,863	-
Water Charges	-	514,039	514,039	-
Departmental and Other	9,360	-	9,360	-
Intergovernmental	531,572	-	531,572	-
Total Current Assets	13,994,536	3,359,334	17,353,870	67,315
Noncurrent Assets:				
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate Tax Deferrals	41,685	-	41,685	-
Tax Foreclosures	361,988	-	361,988	-
Capital Assets Not Being Depreciated	5,465,069	473,762	5,938,831	339,500
Capital Assets, Net of Accumulated Depreciation	16,318,375	11,534,980	27,853,355	218,209
Total Noncurrent Assets	22,187,117	12,008,742	34,195,859	557,709
Total Assets	36,181,653	15,368,076	51,549,729	625,024
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	611,358	39,991	651,349	-
Related to Pensions	1,632,272	106,772	1,739,044	-
Total Deferred Outflows of Resources	2,243,630	146,763	2,390,393	-
LIABILITIES				
Current Liabilities:				
Warrants Payable	456,033	64,439	520,472	-
Accrued Payroll	143,393	8,292	151,685	-
Other Liabilities	12,412	-	12,412	2,963
Accrued Interest	33,054	42,878	75,932	-
Capital Lease Obligations	48,062	-	48,062	-
Compensated Absences	31,777	4,542	36,319	-
Total OPEB Liability	195,386	12,781	208,167	-
Long-Term Bonds and Notes Payable	655,165	523,076	1,178,241	-
Mortgage Loan Payable	-	-	-	15,448
Total Current Liabilities	1,575,282	656,008	2,231,290	18,411
Noncurrent Liabilities:				
Capital Lease Obligations	390,976	-	390,976	-
Compensated Absences	285,990	40,882	326,872	-
Total OPEB Liability	6,474,705	423,529	6,898,234	-
Net Pension Liability	10,871,458	711,133	11,582,591	-
Long-Term Bonds and Notes Payable	4,636,793	8,152,335	12,789,128	-
Mortgage Loan Payable	-	-	-	420,367
Total Noncurrent Liabilities	22,659,922	9,327,879	31,987,801	420,367
Total Liabilities	24,235,204	9,983,887	34,219,091	438,778
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	1,238,275	80,999	1,319,274	-
Related to Pensions	796,265	52,086	848,351	-
Total Deferred Inflows of Resources	2,034,540	133,085	2,167,625	-
NET POSITION				
Net Investment in Capital Assets	18,200,805	5,073,305	23,274,110	121,894
Restricted for:				
Other Postemployment Benefits	680,965	-	680,965	-
Community Preservation	649,129	-	649,129	-
Affordable Housing	842,586	-	842,586	-
Expendable	326,431	-	326,431	-
Nonexpendable	294,020	-	294,020	-
Other Specific Purposes	1,431,789	-	1,431,789	-
Unrestricted	(10,270,186)	324,562	(9,945,624)	64,352
Total Net Position	\$ 12,155,539	\$ 5,397,867	\$ 17,553,406	\$ 186,246

See accompanying Notes to Financial Statements.

(12)

**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense)/ Revenue
Primary Government:					
Governmental Activities:					
General Government	\$ 2,733,926	\$ 110,696	\$ 282,559	\$ -	\$ (2,340,671)
Public Safety	4,622,891	510,296	67,828	-	(4,044,767)
Education	19,184,238	-	-	-	(19,184,238)
Public Works	2,374,595	142,017	37,348	534,726	(1,660,504)
Health and Human Services	674,636	63,510	58,621	-	(552,505)
Culture and Recreation	1,942,624	221,083	215,382	-	(1,506,159)
Hamilton Development Corporation	74,880	-	-	-	(74,880)
Debt Service-Interest	118,884	-	-	-	(118,884)
Total Governmental Activities	31,726,674	1,047,602	661,738	534,726	(29,482,608)
Business-Type Activities:					
Water	1,508,575	1,782,256	9,281	-	282,962
Total Primary Government	\$ 33,235,249	\$ 2,829,858	\$ 671,019	\$ 534,726	\$ (29,199,646)
Component Units:					
Hamilton Development Corporation	\$ 196,387	\$ 29,050	\$ 74,880	\$ -	\$ (92,457)

See accompanying Notes to Financial Statements.

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**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
CHANGES IN NET POSITION				
Net (Expense) Revenue (from Previous Page)	\$ (29,482,608)	\$ 282,962	\$ (29,199,646)	\$ (92,457)
GENERAL REVENUES				
Real Estate and Personal Property Taxes	28,870,695	-	28,870,695	-
Motor Vehicle and Other Excise Taxes	1,168,124	-	1,168,124	-
Meals Tax	66,051	-	66,051	-
Penalties and Interest on Taxes	72,560	-	72,560	-
Payments in Lieu of Taxes	35,557	-	35,557	-
Community Preservation Surcharges	480,926	-	480,926	-
Grants and Contributions not Restricted to Specific Programs	862,526	-	862,526	-
Unrestricted Investment Income	109,346	-	109,346	168
Transfers, Net	249,680	(249,680)	-	-
Total General Revenues and Transfers	31,915,465	(249,680)	31,665,785	168
CHANGE IN NET POSITION	2,432,857	33,282	2,466,139	(92,289)
Net Position - Beginning of Year	9,722,682	5,364,585	15,087,267	278,535
NET POSITION - END OF YEAR	<u>\$ 12,155,539</u>	<u>\$ 5,397,867</u>	<u>\$ 17,553,406</u>	<u>\$ 186,246</u>

See accompanying Notes to Financial Statements.

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**TOWN OF HAMILTON, MASSACHUSETTS
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,759,848	\$ -	\$ -	\$ 5,759,848
Investments	2,296,098	-	-	2,296,098
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes	559,688	-	-	559,688
Real Estate Tax Deferrals	41,685	-	-	41,685
Tax Liens	99,630	-	-	99,630
Motor Vehicle and Other Excise Taxes	121,229	-	-	121,229
Community Preservation Surcharges	-	7,863	-	7,863
Departmental and Other	-	-	9,360	9,360
Intergovernmental	-	-	531,572	531,572
Tax Foreclosures	361,988	-	-	361,988
Restricted Assets:				
Cash and Cash Equivalents	3,241	829,414	2,609,017	3,441,672
Investments	677,724	-	489,852	1,167,576
Total Assets	\$ 9,921,131	\$ 837,277	\$ 3,639,801	\$ 14,398,209
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Warrants Payable	\$ 198,717	\$ 188,139	\$ 69,177	\$ 456,033
Accrued Payroll	138,236	9	5,148	143,393
Other Liabilities	12,412	-	-	12,412
Total Liabilities	349,365	188,148	74,325	611,838
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,121,206	7,863	9,360	1,138,429
FUND BALANCE				
Nonspendable	-	-	294,020	294,020
Restricted	680,965	641,266	3,302,892	4,625,123
Committed	2,512,453	-	-	2,512,453
Assigned	81,056	-	-	81,056
Unassigned	5,176,086	-	(40,796)	5,135,290
Total Fund Balance	8,450,560	641,266	3,556,116	12,647,942
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 9,921,131	\$ 837,277	\$ 3,639,801	\$ 14,398,209

See accompanying Notes to Financial Statements.

(15)

**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE — GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real Estate and Personal Property Taxes	\$ 28,567,456	\$ -	\$ -	\$ 28,567,456
Motor Vehicle and Other Excise Taxes	1,135,350	-	-	1,135,350
Meals tax	66,051	-	-	66,051
Tax Liens	37,419	-	-	37,419
Payments in Lieu of Taxes	35,557	-	-	35,557
Community Preservation Surcharges	-	476,870	-	476,870
Charges for Services	111,894	-	366,570	478,464
Intergovernmental	1,011,956	108,610	871,292	1,991,858
Penalties and Interest on Taxes	72,560	-	-	72,560
Licenses and Permits	357,181	-	-	357,181
Fines and Forfeitures	4,350	-	-	4,350
Departmental and Other	170,461	-	12,850	183,311
Contributions	-	-	233,695	233,695
Investment Income	104,879	15,261	17,048	137,188
Other	-	-	900	900
Total Revenues	31,675,114	600,741	1,502,355	33,778,210
EXPENDITURES				
Current:				
General Government	2,005,041	510,631	222,191	2,737,863
Public Safety	2,928,145	-	223,898	3,152,043
Education	19,145,148	-	-	19,145,148
Public Works	1,836,560	-	565,359	2,401,919
Health and Human Services	309,802	2,000	47,269	359,071
Culture and Recreation	1,114,811	800	360,815	1,476,426
Hamilton Development Corporation	74,880	-	-	74,880
Pension Benefits	987,370	-	-	987,370
Employee Benefits	838,602	-	-	838,602
Property and Liability Insurance	231,969	-	-	231,969
State and County Charges	247,245	-	-	247,245
Debt Service:				
Principal	620,000	125,000	-	745,000
Interest	122,803	28,500	-	151,303
Total Expenditures	30,462,376	666,931	1,419,532	32,548,839
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,212,738	(66,190)	82,823	1,229,371
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds and Notes	-	-	940,000	940,000
Premium from Issuance of Bonds and Notes	-	-	80,926	80,926
Transfers In	463,806	-	294,740	758,546
Transfer Out	(260,690)	(200,000)	(48,176)	(508,866)
Total Other Financing Sources (Uses)	203,116	(200,000)	1,267,490	1,270,606
NET CHANGE IN FUND BALANCE	1,415,854	(266,190)	1,350,313	2,499,977
Fund Balance - Beginning of Year	7,034,706	907,456	2,205,803	10,147,965
FUND BALANCE - END OF YEAR	\$ 8,450,560	\$ 641,266	\$ 3,556,116	\$ 12,647,942

See accompanying Notes to Financial Statements.

(16)

**TOWN OF HAMILTON, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCE TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balance - Governmental Funds	\$ 12,647,942
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	21,783,444
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	1,138,429
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.	(33,054)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and Notes Payable, Net	(5,291,958)
Capital Lease Obligations	(439,038)
Compensated Absences	(317,767)
Net Pension Liability	(10,871,458)
Total OPEB Liability	(6,670,091)
In the statement of net position, deferred outflows of resources are reported for amounts related to pensions and OPEB.	2,243,630
In the statement of net position, deferred inflows of resources are reported for amounts related to pensions and OPEB.	<u>(2,034,540)</u>
Net Position of Governmental Activities	<u>\$ 12,155,539</u>

See accompanying Notes to Financial Statements.

(17)

**TOWN OF HAMILTON, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balance - Total Governmental Funds **\$ 2,499,977**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.

Capital Outlays	1,479,884
Depreciation	(981,711)

In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed. (22,459)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources. 131,645

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (when material). These amounts represent the related activity of the current period.

Proceeds of Bonds and Notes	(940,000)
Premium from Issuance of Bonds and Notes	(80,926)
Bond Maturities	745,000
Net Amortization of Bond Premiums	32,468
Capital Lease Maturities	46,322

In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable. (49)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:

Compensated Absences	(40,759)
Total OPEB Liability	1,258,893
Net Pension Liability	130,714

In the statement of activities, deferred outflows related to pensions and OPEB are amortized and recognized as pension and OPEB expense. This amount represents the net change in deferred outflows related to pensions and OPEB. (430,542)

In the statement of activities, deferred inflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred inflows related to pensions and OPEB. (1,395,600)

Changes in Net Position of Governmental Activities **\$ 2,432,857**

See accompanying Notes to Financial Statements.

(18)

**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF FUND NET POSITION — PROPRIETARY FUND
JUNE 30, 2020**

	Business-Type Activities - Enterprise Fund Water
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,095,229
Restricted Cash and Cash Equivalents	1,739,974
Receivables, Net of Allowance for Uncollectible Amounts:	
Water Charges	514,039
Water Liens	10,092
Total Current Assets	<u>3,359,334</u>
Noncurrent Assets:	
Capital Assets Not Being Depreciated	473,762
Capital Assets, Net of Accumulated Depreciation	11,534,980
Total Noncurrent Assets	<u>12,008,742</u>
Total Assets	<u>\$ 15,368,076</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to OPEB	\$ 39,991
Related to Pensions	106,772
Total Deferred Outflows of Resources	<u>146,763</u>
LIABILITIES	
Current Liabilities:	
Warrants Payable	64,439
Accrued Payroll	8,292
Accrued Interest	42,878
Compensated Absences	4,542
Total OPEB Liability	12,781
Long-Term Bonds and Notes Payable	523,076
Total Current Liabilities	<u>656,008</u>
Noncurrent Liabilities:	
Compensated Absences	40,882
Total OPEB Liability	423,529
Net Pension Liability	711,133
Long-Term Bonds and Notes Payable	8,152,335
Total Noncurrent Liabilities	<u>9,327,879</u>
Total Liabilities	9,983,887
DEFERRED INFLOWS OF RESOURCES	
Related to OPEB	80,999
Related to Pensions	52,086
Total Deferred Inflows of Resources	<u>133,085</u>
FUND NET POSITION	
Net Investment in Capital Assets	5,073,305
Unrestricted	324,562
Total Net Position	<u>\$ 5,397,867</u>

See accompanying Notes to Financial Statements.

(19)

**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION — PROPRIETARY FUND
YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Fund <u>Water</u>
OPERATING REVENUES	
Charges for Services	\$ 1,768,620
Other	<u>13,636</u>
Total Operating Revenues	1,782,256
OPERATING EXPENSES	
Cost of Service and Administration	904,165
Depreciation	<u>371,652</u>
Total Operating Expenses	1,275,817
OPERATING INCOME (LOSS)	506,439
NONOPERATING REVENUES (EXPENSES)	
Investment Income	9,281
Interest Expense	<u>(232,758)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(223,477)</u>
INCOME (LOSS) BEFORE TRANSFERS	282,962
Transfers In	169,950
Transfers Out	<u>(419,630)</u>
Total Transfers, Net	<u>(249,680)</u>
CHANGE IN FUND NET POSITION	33,282
Fund Net Position - Beginning of Year	<u>5,364,585</u>
FUND NET POSITION - END OF YEAR	<u>\$ 5,397,867</u>

See accompanying Notes to Financial Statements.

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**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF CASH FLOWS — PROPRIETARY FUND
YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Fund Water
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 1,685,517
Payments to Vendors	(430,741)
Payments to Employees	(324,589)
Net Cash Provided by Operating Activities	<u>930,187</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers Out	(419,630)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers In	169,950
Proceeds from the Issuance of Bonds and Notes	3,030,000
Premium from the Issuance of Bonds and Notes	193,271
Acquisition and Construction of Capital Assets	(189,850)
Principal Payments on Bonds and Notes	(2,015,000)
Interest Expense	(258,710)
Net Cash Provided by Capital and Related Financing Activities	<u>929,661</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>9,281</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,449,499
Cash and Cash Equivalents - Beginning of Year (Includes \$260,633 Reported as Restricted in the Water Enterprise Fund)	<u>1,385,704</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (Includes \$1,739,974 Reported as Restricted in the Water Enterprise Fund)	<u><u>\$ 2,835,203</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 506,439
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities not Requiring Current Cash Flows:	
Depreciation	371,652
Net Pension Liability	61,986
Total OPEB Liability	(45,875)
Deferred Inflows of Resources Related to Pensions	17,805
Deferred Outflows of Resources Related to Pensions	14,844
Deferred Inflows of Resources Related to OPEB	80,999
Deferred Outflows of Resources Related to OPEB	7,030
Effect of Changes in Operating Assets and Liabilities:	
Water Charges	(92,641)
Water Liens	(4,098)
Warrants Payable	6,119
Accrued Payroll	2,932
Compensated Absences	2,995
Total Adjustments	<u>423,748</u>
Net Cash Provided by Operating Activities	<u><u>\$ 930,187</u></u>

See accompanying Notes to Financial Statements.

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**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION — FIDUCIARY FUNDS
JUNE 30, 2020**

	Private Purpose Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 27,510
Investments:	
Equities	5,964
Fixed Income Securities	<u>34,447</u>
Total Assets	<u>67,921</u>
NET POSITION	
Assets Held in Trust for Other Purposes	<u><u>\$ 67,921</u></u>

See accompanying Notes to Financial Statements.

(22)

**TOWN OF HAMILTON, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private Donations	\$ 22,998
Net Investment Income:	
Interest	<u>966</u>
Total Additions	23,964
DEDUCTIONS	
Other	<u>14,728</u>
CHANGE IN NET POSITION	9,236
Net Position - Beginning of Year	<u>58,685</u>
NET POSITION - END OF YEAR	<u><u>\$ 67,921</u></u>

See accompanying Notes to Financial Statements.

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**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

B. Reporting Entity

The Town of Hamilton, Massachusetts (the Town) is a municipal corporation that is governed by an elected Board of Selectmen (Board).

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions, and institutions that are not legally separate from the Town.

The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Discretely presented component units are entities that are legally separate from the Town, but the nature and/or significance of their relationship with the Town is such that exclusion would cause the financial statements to be misleading or incomplete. The Town has included the Hamilton Development Corporation (Corporation) as a discretely presented component unit because there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the Town.

The Corporation was established pursuant to Chapter 151 of the Acts of 2012 (Act) enacted by the Massachusetts State Legislature. The primary purpose of the Corporation, a body politic and corporate, is to improve the living standards of the citizenry of the Town by fostering the improvement of employment opportunities and develop, manage and operate public facilities and infrastructure necessary to improve the Town's economy. The Corporation is governed by a five-member board of directors appointed by the Board of Selectmen. The Corporation does not issue a separate audited financial statement.

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint Ventures (Continued)

The Town participates in several joint ventures (described below) with other municipalities to pool resources and share the costs, risks and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

Hamilton-Wenham Library

During fiscal year 1998, the Town entered into an agreement with the Town of Wenham (Joint Library Agreement) to construct and operate a joint public library to be operated under the direction of a Joint Board of Library Trustees. The construction project was completed during fiscal year 2002, and the Joint Library began operations during fiscal year 2002. Operating and administrative expenditures are apportioned to the Towns of Hamilton and Wenham based on their assessed values on their last three tax recapitulation sheets. The Town of Wenham is the administrator for all matters associated with the management and operation of the Joint Library. Accordingly, all revenues and expenditures associated with the Joint Library are accounted for by the Town of Wenham. During fiscal year 2020, the Town paid approximately \$881,000 to the Town of Wenham to cover the Town's portion of the operating and administrative costs.

Complete financial statements for the Town of Wenham and the Joint Library can be obtained directly from the Town of Wenham, located at 184 Main Street, Wenham, Massachusetts, 01984.

Hamilton-Wenham Recreation Department

The Towns of Hamilton and Wenham operate a joint recreation department (Department). Operating and administrative expenditures are apportioned to the Towns of Hamilton and Wenham based on their assessed values on their last three tax recapitulation sheets. The Town of Hamilton is the administrator for all matters associated with the management and operation of the Department. Accordingly, all revenues and expenditures associated with the Department are accounted for by the Town of Hamilton. During fiscal year 2020, the Department's operating and administrative expenditures totaled approximately \$186,000. The Town of Wenham paid the Town of Hamilton approximately \$79,000 for their share of the Department's costs.

The Department's activities are accounted for in the Town of Hamilton's general fund. Neither Town has an equity interest in the operation of the Department.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Veterans' Memorial Pool at Patton Park

The Towns of Hamilton and Wenham operate a joint pool (Pool) that is used for the summer park and recreation program offered by the Hamilton-Wenham Joint Recreation Committee (Committee). The capital costs associated with the design and construction of the Pool were allocated 66.4% to the Town of Hamilton and 33.6% to the Town of Wenham. The Town of Hamilton is the administrator for all matters associated with the management and operation of the Pool. Costs associated with the operation and maintenance of the Pool are paid from revenues collected in a pool revolving fund maintained by the Town of Hamilton. The Town of Wenham will be annually charged an administrative fee based upon a calculation of the Town of Hamilton's indirect costs of administration associated with the Pool. During fiscal year 2020, the Town of Wenham paid the Town of Hamilton approximately \$1,700 for their share of indirect costs of administration associated with the Pool.

The Pool's operational activities are accounted for in the Town of Hamilton's Pool revolving fund (special revenue). Neither Town has an equity interest in the operation of the Pool.

Hamilton-Wenham Regional School District

The Hamilton-Wenham Regional School District (District) is governed by a six-member school committee consisting of one appointed and two elected representatives from the Town. The Town is indirectly liable for the District's debt and other expenditures and is assessed annually for its share of operating and capital costs. Operating costs are apportioned amongst the Towns based on the assessed values on their last three tax recapitulation sheets. Capital costs, including debt service, are apportioned amongst the Towns based on a combination of the three-year valuation average and pupil enrollments. For the fiscal year ended June 30, 2020, the Town's assessment for operating and capital costs totaled approximately \$18,686,000 and \$255,000, respectively.

Complete financial statements for the District can be obtained directly from the District located at Administrative Offices, 5 School Street, Wenham, Massachusetts, 01984.

North Shore Technical School

The North Shore Technical School is governed by a 16-member school district committee consisting of one elected representative from each member town, including the Town of Hamilton. The Town is indirectly liable for the North Shore Technical School debt and expenditures and is assessed annually for its share of operating and capital costs. For the fiscal year ended June 30, 2020, the Town's assessment for operating and capital costs totaled approximately \$184,000 and \$20,000, respectively. Separate financial statements may be obtained by writing to the Treasurer of the North Shore Technical School at 30 Log Bridge Road, Middleton, Massachusetts 01949.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Implementation of New Accounting Principles

For the year ending June 30, 2020, the Town implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*; which postpones the implementation dates of certain GASB Statements.

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and the discretely presented component unit. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are primarily supported by user fees.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Fiduciary funds are reported by fund type.

E. Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of the charges between the general fund and enterprise fund would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60-days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred, and all other grant requirements are met.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The following major governmental funds are reported:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *community preservation fund* is a special revenue fund used to account for the 2% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource, and affordable housing purposes. Property exempt from the surcharge consists of the first \$100,000 of all residential property and also property owned by low-income residents or seniors with low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. Disbursements from this fund must originate from the Community Preservation Committee and be approved by Town Meeting.

The nonmajor governmental funds consist of special revenue, capital projects, and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds' financial statements. The following describes the general use of these fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

Proprietary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following proprietary fund is reported:

The *water enterprise fund* (major fund) is used to account for the activities of the water department.

Fiduciary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs.

The following fiduciary fund type is reported:

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.

F. Cash and Cash Equivalents and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide and proprietary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate Taxes, Personal Property Taxes, and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1 of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on August 1, November 1, February 1 and May 1 and are subject to penalties and interest if they are not paid by the respective due date.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles to the Town. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

Community Preservation Surcharges

Community preservation surcharges are levied annually at a rate of 2% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors with low or moderate income as defined by DOR guidelines. The surcharge is due with the real estate tax on a quarterly basis each August 1, November 1, February 1, and May 1 and are subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Water Charges and Water Liens

User fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are based on actual subsequent billings and are recorded as revenue in the current period. Water liens are processed in December of each year and are included as a lien on the property owner's tax bill. Water charges are recorded as receivables in the fiscal year of the levy.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable (Continued)

Departmental and Other

Departmental and other receivables primarily consist of police details and are recorded as receivables when accrued.

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For nonexpenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred, and all other grant requirements are met.

H. Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Departmental and other

At June 30, 2020, the allowances related to these accounts receivable are immaterial and therefore not reported.

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens
- Community preservation surcharges
- Water charges and liens
- Loans

Intergovernmental receivables are considered 100% collectible.

I. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories consist primarily of supplies and are not material in total to the government-wide and fund financial statements and therefore are not reported.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

K. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which consist of land, intangible assets, construction in progress, improvements, buildings, machinery and equipment, vehicles, library books, software, and infrastructure (e.g., roads, water mains and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair acquisition value at the date of donation.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Depreciable assets are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Improvements	20 Years
Buildings	40 to 50 Years
Machinery and Equipment	5 to 10 Years
Vehicles	5 to 10 Years
Library Books	10 Years
Software	5 Years
Infrastructure	20 to 50 Years

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Funds Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Receivables and Payables

During the course of its operations, transactions occur between funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balance outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balance".

Fund Financial Statements

Transactions of a buyer/seller nature between funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

M. Interfund Transfers

During the course of its operations, resources are permanently reallocated between funds.

Government-Wide Financial Statements

Transfers between governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balance outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, Net".

Fund Financial Statements

Transfers between funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

N. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred outflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statements of net position.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unavailable revenue is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the availability criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.

Deferred inflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statements of net position.

P. Net Position and Fund Balance

Government-Wide Financial Statements and Proprietary Fund Financial Statements (Net Position)

Net position represents the residual difference between assets and deferred outflows less liabilities and deferred inflows.

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use.

Net position has been "restricted" for the following:

"Other postemployment benefits" represents amounts restricted (in accordance with MGL, Chapter 32B, Section 20) for other postemployment benefits.

"Community preservation" represents amounts restricted for the purpose of acquiring land for conservation, recreational, and affordable housing projects.

"Affordable housing" represents amounts restricted (in accordance with MGL, Chapter 44, Section 55C) for the creation and preservation of affordable housing within the Town.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other specific purposes" represents other restrictions placed on assets from outside parties.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Balance (Continued)

Governmental Funds Financial Statements (Fund Balance)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable – represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted – represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – represents amounts that can be used only for specific purposes imposed by a formal action of Town meeting, which is the highest level of decision-making authority for the Town. Committed amounts may be established, modified, or rescinded only through actions approved by Town meeting.

Assigned – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the Town's structure, authorized assignments for noncontractual encumbrances can be made by individual department heads.

Unassigned – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Q. Long-Term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statements of net position. Material bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Long-Term Debt (Continued)

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

R. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from permanent funds and the proprietary funds are retained in the respective funds.

S. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws, and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

T. Pensions

Government-Wide and Fund Financial Statements

For purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Essex Regional Retirement System (ERRS) and additions to/deductions from ERRS's fiduciary net position have been determined on the same basis as they are reported by ERRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Postretirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 11, the Town provides health insurance coverage for current and future retirees and their spouses.

V. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

W. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting vote. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget requires majority Town Meeting approval via Special Town Meeting.

The majority of appropriations are noncontinuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**A. Budgetary Information (Continued)**

Generally, expenditures may not exceed the level of spending (salaries, expenses, and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund and community preservation fund in conformity with the guidelines described above. The original fiscal year 2020 approved budget for the general fund and community preservation fund authorized appropriations of \$33,179,725 and \$427,000, respectively. During the fiscal year, appropriations were reduced for the general fund by \$161,692, and increased for the community preservation fund by \$457,906.

The Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Individual Fund Deficits

At June 30, 2020, the following fund deficits exist in the governmental funds:

<u>Fund</u>	<u>Amount</u>	<u>Funding Source</u>
Covid FEMA	\$ 34,501	Federal Grant
Fire Grant	3,948	State Grant
Pool Revolving Fund	821	Available Funds
Police Detail	792	Available Funds
Bulletproof Vest	734	State Grant
Total	<u>\$ 40,796</u>	

C. Expenditures in Excess of Appropriations

During the year ended June 30, 2020, expenditures exceeded appropriations for State and County Charges.

NOTE 3 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT). The Treasurer also has expanded investment powers as it relates to certain trust funds (as defined by the Commonwealth), permanent funds, and fiduciary funds.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds, private purpose trust funds and the Hamilton Development Corporation are held separately from other Town funds.

A. Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. The Town and the Hamilton Development Corporation do not have policies for custodial credit risk of deposits. As of June 30, 2020, \$5,504,915 of the Town's bank balance of \$11,920,404 was uninsured and uncollateralized. As of June 30, 2020, the Hamilton Development Corporation was not exposed to custodial credit risk.

B. Investments Summary

The Town's investments at June 30, 2020 are presented in the following table. All investments are presented by investment type, with debt securities presented by maturity.

<u>Investment Type</u>	<u>Total Amount</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than One</u>	<u>One to Five</u>
Debt Securities:			
U.S. Treasuries	\$ 225,830	\$ 105,508	\$ 120,322
U.S. Agencies	402,581	-	402,581
Corporate Bonds	1,122,338	187,187	935,151
Mutual Bond Funds	186,268	186,268	-
Certificates of Deposit	658,639	146,815	511,824
External Investment Pool (MMDT)	57,158	57,158	-
Total Debt Securities	<u>2,652,814</u>	<u>\$ 682,936</u>	<u>\$ 1,969,878</u>
Other Investments:			
Equity Securities	416,973		
Equity Mutual Funds	<u>491,456</u>		
Total Other Investments	<u>908,429</u>		
Total Investments	<u>\$ 3,561,243</u>		

C. Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town does not have a policy for interest rate risk of debt securities.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**D. Investments - Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk of investments. As of June 30, 2020, the Town's investments were not exposed to custodial credit risk.

E. Investments - Credit Risk of Debt Securities

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town does not have a policy for credit risk of debt securities. As of June 30, 2020, the credit ratings of the Town's investments in debt securities, exclusive of exempt U.S. Treasuries of \$225,830 are as follows:

Quality Ratings *	Investment Type					
	Total	U.S.	Corporate	Certificates of	Mutual Bond	External
	Amount	Agencies	Bonds	Deposit	Funds	Investment Pool (MMDT)
AAA	\$ 201,950	\$ 55,560	\$ 146,390	\$ -	\$ -	\$ -
AA+	347,021	347,021	-	-	-	-
AA	47,160	-	47,160	-	-	-
A+	184,156	-	184,156	-	-	-
A-	344,343	-	344,343	-	-	-
BBB+	400,289	-	400,289	-	-	-
Unrated	902,065	-	-	658,639	186,268	57,158
Total	<u>\$ 2,426,984</u>	<u>\$ 402,581</u>	<u>\$ 1,122,338</u>	<u>\$ 658,639</u>	<u>\$ 186,268</u>	<u>\$ 57,158</u>

* Per the rating scale of Standard and Poor's (Nationally recognized statistical rating organization)

F. Investments - Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have a policy for concentration of credit risk. As of June 30, 2020, the Town was not exposed to concentration of credit risk.

G. Investments - Fair Value Measurements

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The Town has the following recurring fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Equity Securities:			
Equity Mutual Funds	\$ 491,456	\$ -	\$ 491,456
Equity Securities	416,973	416,973	-
Total Equity Securities	908,429	416,973	491,456
Debt Securities:			
U.S. Agency Securities	402,581	-	402,581
U.S. Treasury Securities	225,830	-	225,830
Corporate Bonds	1,122,338	-	1,122,338
Certificates of Deposit	658,639	-	658,639
Mutual Bond Funds	186,268	-	186,268
Total Debt Securities	2,595,656	-	2,595,656
Total Investments by Fair Value Level	3,504,085	\$ 416,973	\$ 3,087,112
Investments Measured at Amortized Cost:			
External Investment Pool (MMDT)	57,158		
Total Investments - Town	\$ 3,561,243		

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2020, receivables for the individual major governmental funds and nonmajor governmental funds, in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real Estate and Personal Property Taxes	\$ 559,688	\$ -	\$ 559,688
Real Estate Tax Deferrals	41,685	-	41,685
Tax Liens	99,630	-	99,630
Motor Vehicle and Other Excise Taxes	121,229	-	121,229
Community Preservation Surcharges	7,863	-	7,863
Departmental and Other	9,360	-	9,360
Intergovernmental	531,572	-	531,572
Total	<u>\$ 1,371,027</u>	<u>\$ -</u>	<u>\$ 1,371,027</u>

At June 30, 2020, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water Charges	\$ 514,039	\$ -	\$ 514,039
Water Liens	10,092	-	10,092
Total	<u>\$ 524,131</u>	<u>\$ -</u>	<u>\$ 524,131</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,373,848	\$ -	\$ -	\$ 2,373,848
Intangible Assets	1,750,000	-	-	1,750,000
Construction in Progress	537,889	1,167,033	(363,701)	1,341,221
Total Capital Assets Not Being Depreciated	4,661,737	1,167,033	(363,701)	5,465,069
Capital Assets Being Depreciated:				
Improvements	3,379,175	472,420	(119,424)	3,732,171
Buildings	14,620,129	-	(41,788)	14,578,341
Machinery and Equipment	2,201,092	55,774	(18,111)	2,238,755
Vehicles	2,806,896	148,358	(222,456)	2,732,798
Library Books	265,666	-	-	265,666
Software	20,765	-	-	20,765
Infrastructure	5,450,689	-	-	5,450,689
Total Capital Assets Being Depreciated	28,744,412	676,552	(401,779)	29,019,185
Less: Accumulated Depreciation for:				
Improvements	(866,645)	(164,947)	107,218	(924,374)
Buildings	(6,785,497)	(332,059)	31,535	(7,086,021)
Machinery and Equipment	(1,011,709)	(171,303)	18,111	(1,164,901)
Vehicles	(1,587,451)	(177,851)	222,456	(1,542,846)
Library Books	(265,666)	-	-	(265,666)
Software	(20,765)	-	-	(20,765)
Infrastructure	(1,560,686)	(135,551)	-	(1,696,237)
Total Accumulated Depreciation	(12,098,419)	(981,711)	379,320	(12,700,810)
Total Capital Assets Being Depreciated, Net	16,645,993	(305,159)	(22,459)	16,318,375
Total Governmental Activities Capital Assets, Net	\$ 21,307,730	\$ 861,874	\$ (386,160)	\$ 21,783,444

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 283,912	\$ -	\$ -	\$ 283,912
Construction in Progress	-	189,850	-	189,850
Total Capital Assets Not Being Depreciated	283,912	189,850	-	473,762
Capital Assets Being Depreciated:				
Buildings	3,454,199	-	-	3,454,199
Machinery and Equipment	41,848	-	-	41,848
Vehicles	335,662	-	-	335,662
Infrastructure	12,662,347	-	-	12,662,347
Total Capital Assets Being Depreciated	16,494,056	-	-	16,494,056
Less: Accumulated Depreciation for:				
Buildings	(1,359,535)	(79,710)	-	(1,439,245)
Machinery and Equipment	(26,762)	(4,521)	-	(31,283)
Vehicles	(223,617)	(25,997)	-	(249,614)
Infrastructure	(2,977,510)	(261,424)	-	(3,238,934)
Total Accumulated Depreciation	(4,587,424)	(371,652)	-	(4,959,076)
Total Capital Assets Being Depreciated, Net	11,906,632	(371,652)	-	11,534,980
Total Business-Type Activities Capital Assets, Net	<u>\$ 12,190,544</u>	<u>\$ (181,802)</u>	<u>\$ -</u>	<u>\$ 12,008,742</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Hamilton Development Corporation:				
Capital Assets Not Being Depreciated:				
Land	\$ 339,500	\$ -	\$ -	\$ 339,500
Capital Assets Being Depreciated:				
Buildings	260,550	-	-	260,550
Less: Accumulated Depreciation for:				
Buildings	(35,827)	(6,514)	-	(42,341)
Total Capital Assets Being Depreciated, Net	224,723	(6,514)	-	218,209
Total Discretely Presented Component Units Capital Assets, Net	<u>\$ 564,223</u>	<u>\$ (6,514)</u>	<u>\$ -</u>	<u>\$ 557,709</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 77,264
Public Safety	344,889
Education	39,090
Public Works	220,716
Health and Human Services	4,420
Culture and Recreation	295,332
Total Depreciation Expense - Governmental Activities	<u>\$ 981,711</u>

Business-Type Activities:

Water	<u>\$ 371,652</u>
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Discretely Presented Component Unit:

Hamilton Development Corporation	<u>\$ 6,514</u>
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NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2020 are summarized as follows:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
General Fund	\$ -	\$ 90,740	\$ 169,950	\$ 260,690 (1)
Community Preservation Fund	-	200,000	-	200,000 (2)
Nonmajor Governmental Funds	44,176	4,000	-	48,176 (3)
Water Enterprise Fund	419,630	-	-	419,630 (4)
Total	<u>\$ 463,806</u>	<u>\$ 294,740</u>	<u>\$ 169,950</u>	<u>\$ 928,496</u>

(1) Represents budgeted transfers from the general fund to the Patton Homestead fund (\$86,343) and eco grant fund (\$4,397). Also represents transfers to the water enterprise fund for debt service costs (\$169,950).

(2) Represents budgeted transfer from the community preservation fund to the affordable housing trust fund.

(3) Represents budgeted transfers from the sale of lots and graves fund (\$2,000) and from the Patton Homestead fund (\$42,176) to the general fund for indirect costs. Also represents transfer from the Clark Property fund to the conservation fund (\$4,000).

(4) Represents a budgeted transfer from the water enterprise fund to the general fund for indirect costs.

(46)

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

Details related to the short-term debt activity for the fiscal year ended June 30, 2020 is as follows:

Notes Payable – Water Enterprise Fund

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2019	Increases	Decreases	Balance at June 30, 2020
BAN	Water	11/30/18	11/13/19	3.00%	\$ 1,500,000	\$ -	\$ (1,500,000)	\$ -

Subsequent Event

On August 28, 2020 the Town issued BAN's in the amount of \$467,767 (governmental funds) and \$1,200,000 (water enterprise fund) at an interest rate of 1.25% and a maturity date of August 27, 2021.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2020:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Governmental Activities:					
Bonds and Notes Payable	\$ 4,800,000	\$ 940,000	\$ (745,000)	\$ 4,995,000	\$ 620,000
Unamortized Bond Premium	248,500	80,926	(32,468)	296,958	35,165
Total Bonds and Notes Payable	5,048,500	1,020,926	(777,468)	5,291,958	655,165
Capital Lease Obligations	485,360	-	(46,322)	439,038	48,062
Compensated Absences	277,008	-	40,759	317,767	31,777
Total	<u>\$ 5,810,868</u>	<u>\$ 1,020,926</u>	<u>\$ (783,031)</u>	<u>\$ 6,048,763</u>	<u>\$ 735,004</u>
Business-Type Activities:					
Bonds and Notes Payable	\$ 5,850,000	\$ 3,030,000	\$ (515,000)	\$ 8,365,000	\$ 505,000
Unamortized Bond Premium	130,383	193,271	(13,243)	310,411	18,076
Total Bonds and Notes Payable	5,980,383	3,223,271	(528,243)	8,675,411	523,076
Compensated Absences	42,429	-	2,995	45,424	4,542
Total	<u>\$ 6,022,812</u>	<u>\$ 3,223,271</u>	<u>\$ (525,248)</u>	<u>\$ 8,720,835</u>	<u>\$ 527,618</u>
Discretely Presented Component Unit:					
Mortgage Loan Payable	<u>\$ 448,151</u>	<u>\$ -</u>	<u>\$ (16,449)</u>	<u>\$ 431,702</u>	<u>\$ 431,702</u>

Except for bonds issued for the community preservation fund, long-term liabilities of governmental activities are generally liquidated by the general fund. Long-term debt issued for community preservation projects are liquidated by the community preservation fund.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 CAPITAL LEASE OBLIGATION

The Town leases a fire truck under a capital lease for which payments conclude in fiscal year 2028. The lease began in fiscal year 2019 and requires payments annually for 10 years. The lease agreement contains a bargain purchase option which would allow the Town to purchase the fire truck at the end of the lease term. The cost of the lease for the year ended June 30, 2020 was \$64,557 and is reported as a public safety expenditure of the general fund.

The future minimum lease payments are as follows at June 30, 2020:

<u>Year Ending June 30.</u>	<u>Amount</u>
2021	\$ 64,557
2022	64,557
2023	64,557
2024	64,557
2025	64,557
2026	64,557
2027	64,557
2028	64,553
Total Minimum Lease Payments	516,452
Less: Amounts Representing Interest	(77,414)
Present Value of Minimum Lease Payments	<u>\$ 439,038</u>

Machinery and equipment and the related accumulated depreciation under the capital lease is as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and Equipment	\$ 549,917
Less: Accumulated Amortization	(82,488)
Total	<u>\$ 467,429</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2020, and the debt service requirements, are as follows:

Bonds and Notes Payable - Governmental Funds

<u>Project</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at June 30, 2019</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2020</u>
Library Refunding	5/15/2020	2.00 - 3.00	\$ 110,000	\$ -	\$ (110,000)	\$ -
Donovan Property	5/15/2020	2.00 - 3.00	40,000	-	(40,000)	-
Energy Services Contract (ESCO)	5/15/2020	2.00 - 3.00	25,000	-	(25,000)	-
Landfill Closure	3/15/2022	2.00	110,000	-	(90,000)	20,000
Public Safety Building - Refunding	9/15/2025	2.00 - 4.00	1,935,000	-	(70,000)	1,865,000
Fire Truck	5/15/2027	2.00 - 4.00	560,000	-	(285,000)	275,000
Landfill Capping	5/15/2030	2.00 - 4.00	940,000	-	(40,000)	900,000
Sagamore Hill Land Acquisition	3/15/2032	2.00 - 3.00	1,080,000	-	(85,000)	995,000
Chebacco Road Paving	11/1/2034	2.00 - 5.00	-	940,000	-	940,000
Total Governmental Funds			<u>\$ 4,800,000</u>	<u>\$ 940,000</u>	<u>\$ (745,000)</u>	<u>\$ 4,995,000</u>

Debt service requirements for principal and interest for governmental bonds payable in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 620,000	\$ 143,228	\$ 763,228
2022	620,000	121,728	741,728
2023	585,000	98,678	683,678
2024	580,000	79,178	659,178
2025	575,000	64,453	639,453
2026	570,000	47,303	617,303
2027	305,000	38,028	343,028
2028	230,000	30,753	260,753
2029	230,000	23,175	253,175
2030	225,000	16,298	241,298
2031	140,000	10,445	150,445
2032	140,000	6,845	146,845
2033	60,000	3,215	63,215
2034	60,000	1,925	61,925
2035	55,000	633	55,633
Total	<u>\$ 4,995,000</u>	<u>\$ 685,880</u>	<u>\$ 5,680,880</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 LONG-TERM DEBT (CONTINUED)

Bonds and Notes Payable - Water Enterprise Fund

<u>Project</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Outstanding at June 30, 2019</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2020</u>
Water Bonds Refunding	05/15/20	2.00 - 3.00	\$ 165,000	\$ -	\$ (165,000)	\$ -
Water System Reconstruction	05/15/35	2.00 - 4.00	3,975,000	-	(255,000)	3,720,000
Water System Reconstruction	03/15/37	2.00 - 3.00	1,710,000	-	(95,000)	1,615,000
Water Distribution System	11/1/39	2.00 - 5.00	-	1,255,000	-	1,255,000
Water Distribution System Phase IV	11/1/39	2.00 - 5.00	-	1,600,000	-	1,600,000
Water Treatment Plant	11/1/39	2.00 - 5.00	-	175,000	-	175,000
Total Enterprise Funds			<u>\$ 5,850,000</u>	<u>\$ 3,030,000</u>	<u>\$ (515,000)</u>	<u>\$ 8,365,000</u>

Debt service requirements for principal and interest for water enterprise fund bonds payable in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 505,000	\$ 248,898	\$ 753,898
2022	500,000	231,598	731,598
2023	500,000	211,948	711,948
2024	500,000	192,298	692,298
2025	500,000	175,923	675,923
2026	500,000	161,873	661,873
2027	500,000	148,123	648,123
2028	500,000	132,823	632,823
2029	495,000	116,372	611,372
2030	495,000	101,605	596,605
2031	495,000	89,163	584,163
2032	490,000	75,913	565,913
2033	490,000	62,638	552,638
2034	490,000	49,213	539,213
2035	490,000	35,331	525,331
2036	240,000	21,433	261,433
2037	240,000	15,175	255,175
2038	145,000	8,845	153,845
2039	145,000	5,329	150,329
2040	145,000	1,776	146,776
Total	<u>\$ 8,365,000</u>	<u>\$ 2,086,271</u>	<u>\$ 10,451,271</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 LONG-TERM DEBT (CONTINUED)**Discretely Presented Component Unit – Mortgage Loan Payable**

The Hamilton Development Corporation has a \$435,815 outstanding mortgage obligation at June 30, 2020. Loan payments for principal and interest in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 15,448	\$ 19,977	\$ 35,425
2022	14,991	20,434	35,425
2023	15,748	19,677	35,425
2024	389,628	17,634	407,262
Total	<u>\$ 435,815</u>	<u>\$ 77,722</u>	<u>\$ 513,537</u>

Authorized and Unissued Debt

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2020, the Town had authorized and unissued debt of \$1,667,767 for water treatment plant improvements and Town Hall improvements in the amounts of \$1,200,000 and \$467,767 respectively.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Town provides health and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. The Plan holds no assets accumulated in a trust that meets the criteria of GASB Statement No. 75, paragraph 4 because the Plan assets held in trust are not irrevocable.

The number of participants as of July 1, 2019, the latest actuarial valuation, is as follows:

Active Employees	59
Retired Employees	38
Total	<u>97</u>

Benefits Provided – The Town provides healthcare and life insurance benefits for retirees and their dependents for the duration of retirement. An employee hired before April 2, 2012 shall become eligible to retire under the plan upon attainment of age 55 as an active member and completion of 10 years of service, or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service. The benefit terms provide for payment of 55% of health insurance premiums for non-Medicare-eligible retirees and 55% of supplemental health insurance premiums for Medicare-eligible retirees. The benefit terms also provide for payment of 75% of premiums for \$15,000 of life insurance benefits for retirees. Dental insurance coverage is also offered but at no cost to the Town.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy – The contribution requirements of Plan members and the Town are established and may be amended by the Town. The required health insurance contribution rates of Plan members and the Town are 45% and 55%, respectively. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the Town.

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The significant methods and assumptions used to measure the total OPEB liability as of the latest actuarial valuation are as follows:

Discount Rate	3.36% (20-year municipal bond rate)
Inflation	2.50%
Healthcare Cost Trend Rates	4.50% in FY2020, and staying at that level through FY2021 and later
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females
Disabled Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward one year

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability – The Town's total OPEB Liability of \$7,106,401 was measured as of July 1, 2019 for the year ended June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance - June 30, 2018	\$ 8,411,170
Changes for the Year:	
Service Cost	224,658
Interest of Liability and Service Cost	256,109
Change in Assumptions	(336,109)
Benefit Payments	(199,203)
Differences Between Actual and Expected Experience	(1,250,224)
Net Changes	(1,304,769)
Balance - June 30, 2019	<u>\$ 7,106,401</u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability calculated using the discount rate of 3.36%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.36%) or one-percentage-point higher (4.36%) than the current rate:

	One Percent Decrease (2.36%)	Current Discount Rate (3.36%)	One Percent Increase (4.36%)
Total OPEB Liability	<u>\$ 8,376,250</u>	<u>\$ 7,106,401</u>	<u>\$ 6,107,355</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that is one-percentage-point lower (3.50%) or one-percentage-point higher (5.50%) than the current rate:

	One Percent Decrease	Healthcare Cost Trend Rates	One Percent Increase
Total OPEB Liability	<u>\$ 6,027,758</u>	<u>\$ 7,106,401</u>	<u>\$ 8,506,416</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the Town recognized OPEB expense of \$375,967. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 245,609	\$ (1,039,749)
Changes of Assumptions	197,573	(279,525)
Contributions Subsequent to the Measurement Date	208,167	-
Total	<u>\$ 651,349</u>	<u>\$ (1,319,274)</u>

The \$208,167 reported as deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the total OPEB liability during fiscal year 2021. All other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ (104,800)
2022	(104,800)
2023	(170,087)
2024	(245,367)
2025	(251,038)
Total	<u>\$ (876,092)</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 FUND BALANCE

The constraints on fund balance as listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent Fund Principal	\$ -	\$ -	\$ 294,020	\$ 294,020
Restricted for:				
Other Post Employment Benefits	680,965	-	-	680,965
Community Preservation	-	641,266	-	641,266
Affordable Housing	-	-	842,586	842,586
Capital	-	-	273,111	273,111
General Government	-	-	543,688	543,688
Public Safety	-	-	86,459	86,459
Public Works	-	-	1,208,411	1,208,411
Health and Human Services	-	-	139,775	139,775
Culture and Recreation	-	-	208,955	208,955
Subtotal Restricted	680,965	641,266	3,302,892	4,625,123
Committed to:				
Subsequent Year's Expenditures	1,155,349	-	-	1,155,349
Capital Stabilization	510,301	-	-	510,301
Recreation Fields Stabilization	553,794	-	-	553,794
Continuing Appropriations	293,009	-	-	293,009
Subtotal Committed	2,512,453	-	-	2,512,453
Assigned to:				
General Government	28,685	-	-	28,685
Public Safety	6,200	-	-	6,200
Public Works	35,122	-	-	35,122
Employee Benefits	11,049	-	-	11,049
Subtotal Assigned	81,056	-	-	81,056
Unassigned	5,176,086	-	(40,796)	5,135,290
Total	<u>\$ 8,450,560</u>	<u>\$ 641,266</u>	<u>\$ 3,556,116</u>	<u>\$ 12,647,942</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 STABILIZATION FUNDS

The Town maintains general, recreation fields, and capital stabilization funds that were established under MGL Chapter 40, Section 5B. Additionally, Appropriations in and out of the stabilization funds require two-thirds vote of Town meeting. Investment income is retained by the funds.

The balance of the general, recreation fields, and capital stabilization funds at June 30, 2020 total \$1,237,302, \$553,794 and \$510,301, respectively, and are reported in the general fund as unassigned (\$1,237,302) and committed (\$553,794 and \$510,301) fund balance.

NOTE 14 RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Claims losses have not exceeded commercial insurance coverage in any of the past three years.

The Town participates in a health insurance risk pool trust administered by Massachusetts Interlocal Insurance Association (Association), which was founded to establish insurance cost stability for Massachusetts' entities. The Association offers a variety of premium based plans to its members with each participating governmental unit being charged a premium for coverage based on rates established by the Association. The Town is obligated to pay the Association its required premiums and, in the event that the Association is terminated, its pro-rata share of a deficit, should one exist. These premium based payments are recorded as expenditures in the General Fund.

NOTE 15 PENSION PLAN – ESSEX REGIONAL RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. Employees of the Town deemed eligible by the Essex Regional Retirement Board are provided with pensions through the Essex Regional Retirement System (ERRS) - a cost-sharing multiple-employer defined benefit pension plan administered by the Essex Regional Retirement Board. Membership in the ERRS is mandatory immediately upon the commencement of employment for all permanent, full time employees (except for school department employees who serve in a teaching capacity). The ERRS issues a publicly available financial report that can be obtained online at <https://www.essexregional.com/home/pages/annual-audits> or by contacting the ERRS located at 491 Maple Street, Suite 202, Danvers, Massachusetts, 01923.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 PENSION PLAN – ESSEX REGIONAL RETIREMENT SYSTEM (CONTINUED)

Benefits provided. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are three classes of membership in the plan; Group 1, Group 2, and Group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have been specified as hazardous. Lastly, Group 4 consists of police officers, firefighters, and other hazardous positions.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service if hired after 1978 and if classified in Groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with 10 years of service if in Group 1, 50 years of age with 10 years of service if in Group 2, and 55 years of age if hired prior to 1978 or if classified in Group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status, and group classification.

Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 PENSION PLAN – ESSEX REGIONAL RETIREMENT SYSTEM (CONTINUED)

Contributions. Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the plan. Employers are required to pay an actuarially determined annual appropriation. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the plan's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriations are allocated amongst employers based on covered payroll. Active member employees contribute between 5 and 11% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences. Members hired on or after January 1, 1979, contribute an additional 2% of annual regular compensation in excess of \$30,000. Contributions to the pension plan from the Town were \$987,370 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Town reported a liability of \$11,582,591 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020; which was rolled back to the measurement date of December 31, 2019. The Town proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll and direct charges for early retirement incentives.

At June 30, 2020, the Town's proportion was 2.749%, which compared to a proportion of 2.758% at June 30, 2019.

For the year ended June 30, 2020, the Town recognized pension expense of \$1,388,465. At June 30, 2020, the Town reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,590	\$ 55,045
Differences Between Projected and Actual Earnings on Investments	-	431,854
Changes of Assumptions	1,157,651	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	579,803	361,452
Total	<u>\$ 1,739,044</u>	<u>\$ 848,351</u>

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 PENSION PLAN – ESSEX REGIONAL RETIREMENT SYSTEM (CONTINUED)

The net amount reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 309,336
2022	204,136
2023	394,796
2024	(17,575)
Total	<u>\$ 890,693</u>

Actuarial assumptions. The total pension liability was determined using the following actuarial assumptions:

Salary Increases: Based on years of service, ranging from 7.50% at zero years of service decreasing to 3.75% after five years of service.

Mortality Rates: Pre-Retirement - The RP-2014 Employee Mortality Table projected generationally with scale MP-2019.

Health-Retiree - The RP-2014 Healthy Annuitant Mortality Table projected generationally with scale MP-2019.

Disabled Retiree - The RP-2014 Healthy Annuitant Mortality Table, set forward two years, projected generationally with scale MP-2019.

Investment Rate of Return: 7.30% (previously 7.50%)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 PENSION PLAN – ESSEX REGIONAL RETIREMENT SYSTEM (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	21.00 %	6.15 %
Core Fixed Income	15.00	1.11
International Developed Markets Equity	13.00	6.78
Private Equity	13.00	9.99
Hedge Fund, GTAA, Risk Parity	11.00	3.19
Real Estate	10.00	4.33
High-Yield Fixed Income	8.00	3.51
International Emerging Markets Equity	5.00	8.65
Commodities	4.00	4.13
Total	<u>100.00 %</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.30%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.30%) or one-percentage-point higher (8.30%) than the current rate:

	<u>One Percent Decrease (6.3%)</u>	<u>Current Discount Rate (7.3%)</u>	<u>One Percent Increase (8.3%)</u>
Town's Proportionate Share of the Net Pension Liability	<u>\$ 14,565,820</u>	<u>\$ 11,582,591</u>	<u>\$ 9,075,001</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERRS financial report that can be obtained online at <https://www.essexregional.com/home/pages/annual-audits>.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 16 COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling approximately \$11,500,000 for the design and reconstruction of its water system and facilities. Of the \$11,500,000 authorized for the water system and facilities, \$10,300,000 has been funded through the issuance of bonds.

The Town has entered into, or is planning to enter into, contracts totaling approximately \$470,000 for the design and reconstruction of the Town Hall.

NOTE 17 CONTINGENCIES

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2020.

The Town participates in a number of federal award programs. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 18 FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 84, *Fiduciary Activities*, which is required to be implemented during fiscal year 2021. Management is currently evaluating the Statement's future impact on the basic financial statements.
- Statement No. 87, *Leases*, which is required to be implemented during fiscal year 2022. Management is currently evaluating the Statement's future impact on the basic financial statements.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented during fiscal year 2022. Management is currently evaluating the Statement's future impact on the basic financial statements.
- Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, which is required to be implemented during fiscal year 2021. Management is currently evaluating the Statement's future impact on the basic financial statements.
- Statement No. 91, *Conduit Debt Obligations*, which is required to be implemented during fiscal year 2023. Management is currently evaluating the Statement's future impact on the basic financial statements.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 18 FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS (CONTINUED)

- Statement No. 92, *Omnibus 2020*, which is required to be implemented during fiscal year 2023. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented during fiscal year 2023. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented during fiscal year 2023. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.

These pronouncements will be implemented by their respective implementation dates.

**TOWN OF HAMILTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
GENERAL FUND — BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Real Estate and Personal Property Taxes	\$ -	\$ 28,990,590	\$ (190,192)	\$ 28,800,398
Motor Vehicle and Other Excise Taxes	-	1,076,700	-	1,076,700
Meals Tax	-	68,000	-	68,000
Tax Liens	-	-	-	-
Payments in Lieu of Taxes	-	33,000	-	33,000
Charges for Services	-	-	-	-
Intergovernmental	-	1,080,074	-	1,080,074
Penalties and Interest on Taxes	-	76,500	-	76,500
Licenses and Permits	-	269,900	-	269,900
Fines and Forfeitures	-	6,850	-	6,850
Departmental and Other	-	185,760	-	185,760
Investment Income	-	8,000	-	8,000
Total Revenues	-	31,795,374	(190,192)	31,605,182
EXPENDITURES				
Current:				
General Government	289,206	2,420,702	-	2,709,908
Public Safety	18,392	3,159,093	(1,567)	3,157,526
Education	-	19,305,538	(160,125)	19,145,413
Public Works	25,705	2,179,526	-	2,205,231
Health and Human Services	50	337,880	-	337,930
Culture and Recreation	10,665	1,194,453	-	1,205,118
Hamilton Development Corporation	-	74,880	-	74,880
Pension Benefits	-	997,523	-	997,523
Employee Benefits	-	1,033,258	-	1,033,258
Property and Liability Insurance	-	254,092	-	254,092
State and County Charges	-	241,322	-	241,322
Debt Service:				
Principal	-	620,000	-	620,000
Interest	-	151,658	-	151,658
Total Expenditures	344,018	31,969,925	(161,692)	32,133,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(344,018)	(174,551)	(28,500)	(528,677)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	463,806	-	463,806
Transfers Out	-	(1,209,800)	-	(1,209,800)
Total Other Financing Sources (Uses)	-	(745,994)	-	(745,994)
NET CHANGE IN FUND BALANCE	(344,018)	(920,545)	(28,500)	(1,274,671)
Fund Balance - Beginning of Year	5,009,964	5,009,964	5,009,964	5,009,964
FUND BALANCE - END OF YEAR	\$ 4,665,946	\$ 4,089,419	\$ 4,981,464	\$ 3,735,293

TOWN OF HAMILTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE —
GENERAL FUND — BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 28,564,764	\$ -	\$ 28,564,764	\$ (235,634)
1,135,350	-	1,135,350	58,650
66,051	-	66,051	(1,949)
37,419	-	37,419	37,419
35,557	-	35,557	2,557
111,894	-	111,894	111,894
1,011,956	-	1,011,956	(68,118)
72,560	-	72,560	(3,940)
357,181	-	357,181	87,281
4,350	-	4,350	(2,500)
170,460	-	170,460	(15,300)
23,605	-	23,605	15,605
<u>31,591,147</u>	<u>-</u>	<u>31,591,147</u>	<u>(14,035)</u>
1,992,600	181,418	2,174,018	535,890
2,928,145	6,476	2,934,621	222,905
19,145,148	-	19,145,148	265
1,836,560	125,122	1,961,682	243,549
309,802	-	309,802	28,128
1,114,811	50,000	1,164,811	40,307
74,880	-	74,880	-
987,370	-	987,370	10,153
838,602	11,049	849,651	183,607
231,969	-	231,969	22,123
247,245	-	247,245	(5,923)
620,000	-	620,000	-
122,803	-	122,803	28,855
<u>30,449,935</u>	<u>374,065</u>	<u>30,824,000</u>	<u>1,309,859</u>
1,141,212	(374,065)	767,147	1,295,824
463,806	-	463,806	-
(1,209,800)	-	(1,209,800)	-
<u>(745,994)</u>	<u>-</u>	<u>(745,994)</u>	<u>-</u>
395,218	(374,065)	21,153	1,295,824
5,009,964	-	5,009,964	-
<u>\$ 5,405,182</u>	<u>\$ (374,065)</u>	<u>\$ 5,031,117</u>	<u>\$ 1,295,824</u>

TOWN OF HAMILTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE — COMMUNITY
PRESERVATION FUND — BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Community Preservation Surcharges	\$ -	\$ 430,201	\$ -	\$ 430,201
Intergovernmental	-	50,000	-	50,000
Investment Income	-	-	-	-
Total Revenues	-	480,201	-	480,201
EXPENDITURES				
Current:				
Administrative	-	19,677	-	19,677
Projects, Acquisitions, and Other	16,072	253,823	257,906	527,801
Debt Service:				
Principal	-	125,000	-	125,000
Interest	-	28,500	-	28,500
Total Expenditures	16,072	427,000	257,906	700,978
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,072)	53,201	(257,906)	(220,777)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(200,000)	(200,000)
Total Other Financing Sources (Uses)	-	-	(200,000)	(200,000)
NET CHANGE IN FUND BALANCE	(16,072)	53,201	(457,906)	(420,777)
Fund Balance - Beginning of Year	903,204	903,204	903,204	903,204
FUND BALANCE - END OF YEAR	<u>\$ 887,132</u>	<u>\$ 956,405</u>	<u>\$ 445,298</u>	<u>\$ 482,427</u>

**TOWN OF HAMILTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE — COMMUNITY PRESERVATION FUND —
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 476,869	\$ -	\$ 476,869	\$ 46,668
108,610	-	108,610	58,610
9,512	-	9,512	9,512
<u>594,991</u>	<u>-</u>	<u>594,991</u>	<u>114,790</u>
1,323	-	1,323	18,354
512,108	15,693	527,801	-
125,000	-	125,000	-
28,500	-	28,500	-
<u>666,931</u>	<u>15,693</u>	<u>682,624</u>	<u>18,354</u>
(71,940)	(15,693)	(87,633)	133,144
<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
(271,940)	(15,693)	(287,633)	133,144
903,204	-	903,204	-
<u>\$ 631,264</u>	<u>\$ (15,693)</u>	<u>\$ 615,571</u>	<u>\$ 133,144</u>

**TOWN OF HAMILTON, MASSACHUSETTS
PENSION PLAN SCHEDULES
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

**SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ESSEX REGIONAL RETIREMENT SYSTEM (1)(2)**

	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	2.749%	2.758%	2.535 %	2.741 %	2.628 %	2.746 %
Town's Proportionate Share of the Net Pension Liability	<u>\$ 11,582,591</u>	<u>\$ 11,651,319</u>	<u>\$ 9,538,820</u>	<u>\$ 10,559,951</u>	<u>\$ 9,546,806</u>	<u>\$ 9,315,055</u>
Town's Covered Payroll	<u>\$ 3,909,649</u>	<u>\$ 3,761,561</u>	<u>\$ 3,613,506</u>	<u>\$ 3,526,675</u>	<u>\$ 3,470,734</u>	<u>\$ 3,333,273</u>
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	296.26%	309.75%	263.98 %	299.43 %	275.07 %	279.46 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.46 %	51.89 %	55.40 %	51.12 %	51.01 %	52.27 %

- (1) Amounts presented were determined as of December 31 of each year, respectively.
(2) Data is being accumulated annually to present 10 years of the reported information.

**SCHEDULE OF TOWN'S CONTRIBUTIONS
ESSEX REGIONAL RETIREMENT SYSTEM (1)**

	2020	2019	2018	2017	2016	2015
Actuarially Required Contribution	\$ 987,370	\$ 921,648	\$ 789,304	\$ 794,132	\$ 721,863	\$ 704,356
Contributions in Relation to the Actuarially Required Contribution	(987,370)	(921,648)	(789,304)	(794,132)	(721,863)	(704,356)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	<u>\$ 3,909,649</u>	<u>\$ 3,761,561</u>	<u>\$ 3,613,506</u>	<u>\$ 3,526,675</u>	<u>\$ 3,470,734</u>	<u>\$ 3,333,273</u>
Contributions as a Percentage of Covered Payroll	25.25 %	24.50 %	21.84 %	22.52 %	20.80 %	21.13 %

- (1) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF HAMILTON, MASSACHUSETTS
OTHER POSTEMPLOYMENT BENEFITS SCHEDULE
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

The following schedule provides information related to the Town's other postemployment benefits plan:

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS*

	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017
TOTAL OPEB LIABILITY			
Service Cost	\$ 224,658	\$ 284,193	\$ 232,636
Interest	256,109	238,471	232,202
Differences Between Expected and Actual Experience	(1,250,224)	-	556,505
Change in Assumptions	(336,109)	314,827	-
Benefits Payments	(199,203)	(180,976)	(354,621)
NET CHANGE IN TOTAL OPEB LIABILITY	(1,304,769)	656,515	666,722
Total OPEB Liability - Beginning of Year	8,411,170	7,754,655	7,087,933
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 7,106,401</u>	<u>\$ 8,411,170</u>	<u>\$ 7,754,655</u>
Covered Payroll	<u>\$ 5,230,107</u>	<u>\$ 4,938,721</u>	<u>\$ 4,794,875</u>
Total OPEB Liability as a Percentage of Covered Payroll	135.87%	170.31%	161.73%

*Data is being accumulated annually to present 10 years of the reported information.

See Notes to the Financial Statements for summary of significant actuarial methods and assumptions.

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

NOTE 1 BUDGETARY – GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund and community preservation fund for the fiscal year ended June 30, 2020, is presented below:

General Fund

	Revenues	Expenditures	OFS/ (OFU), Net	Fund Balance
Budgetary Basis as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	\$ 31,591,147	\$ 30,824,000	\$ (745,994)	\$ 5,031,117
<u>Adjustments and Reclassifications</u>				
Activity of Stabilization Fund Recorded in the General Fund for GAAP Purposes	41,279	5,162	321,087	1,237,302
Activity of Other Post Employment Benefits Fund Recorded in the General Fund for GAAP Purposes	18,447	2,967	125,000	680,965
Activity of Recreation Stabilization Fund Recorded in the General Fund for GAAP Purposes	12,778	2,820	-	553,794
Activity of Capital Stabilization Fund Recorded in the General Fund for GAAP Purposes	8,770	1,492	503,023	510,301
Net Change in Recording 60-Day Receipts	2,693	-	-	63,016
To Record Encumbrances and Continuing Appropriations	-	(374,065)	-	374,065
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 31,675,114</u>	<u>\$ 30,462,376</u>	<u>\$ 203,116</u>	<u>\$ 8,450,560</u>

Community Preservation Fund

	Revenues	Expenditures	OFS/ (OFU), Net	Fund Balance
Budgetary Basis as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	\$ 594,991	\$ 682,624	\$ (200,000)	\$ 615,571
<u>Adjustments</u>				
Net Change in Recording Investment Income	5,750	-	-	10,002
To Record Encumbrances and Continuing Appropriations	-	(15,693)	-	15,693
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 600,741</u>	<u>\$ 666,931</u>	<u>\$ (200,000)</u>	<u>\$ 641,266</u>

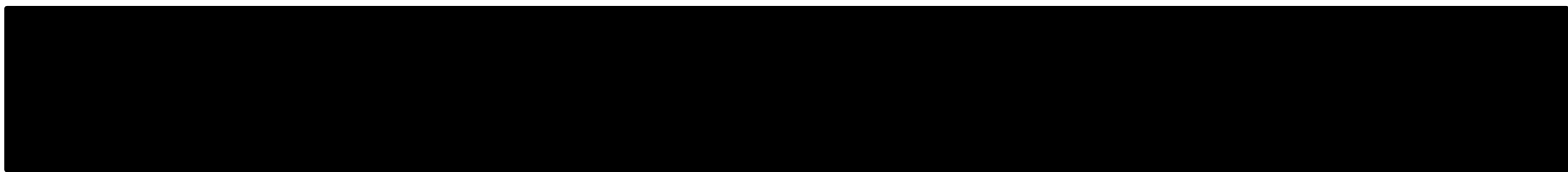
(70)

**TOWN OF HAMILTON, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

NOTE 2 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

(71)





***Town of Hamilton
Massachusetts
FY 2020***