

HAMILTON BOARD OF SELECTMEN  
HAMILTON FINANCE AND ADVISORY COMMITTEE  
MINUTES OF JOINT MEETING

March 11, 2017

Selectmen Members: Shawn Farrell, Allison Jenkins, Jeff Hubbard, Scott Maddern (Chairman), and Bill Wilson.

FinCom Members: Darcy Dale, John Pruellage, Phil Stearns, Nick Tensen, and David Wanger (Chair)

Others Present: Michael Lombardo (Town Manager) and Marisa Batista (Finance Director)

The Hamilton Board of Selectmen meeting was called to order by Scott Maddern at 8:08 am. The Hamilton Finance and Advisory Committee meeting was called to order by David Wanger at 8:08 am.

**Agenda**

**Discuss FY18 Budget**

David Wanger said the process, unlike prior years, was undertaken by Russ Stevens and Marisa Batista. The FinCom was involved at the departmental level, creating a tight budget, except for some capital expenditures, which were folded into the General Fund. Mr. Wanger remarked on the process and recognized Chief Stevens for his wearing of multiple hats and that Ms. Batista's involvement was absolutely necessary to the process.

Michael Lombardo said the budget was a stripped down, lean budget with a 1% increase. Phil Stearns and Mr. Lombardo discussed the \$200,000 breathing apparatus, which would expire the following year. Mr. Lombardo wanted to pull the cost out of the budget and if the grant did not come through, to pay for it in the fall. If necessary, Special Town Meeting would fund the need before the expiration date.

Essex Regional Technical School had a modest reduction of \$22,000 than the previously proposed budget for one less student than expected.

The proposed free cash reduction of \$100,000, which would allow for a tax rate well below 17, would allow for future tax reductions and the breathing equipment, if necessary. Free cash of \$650,000 would allow for a tax rate of 16.74. The tax rate was 16.81 currently, which would remain in effect for the first two quarters of FY18. Marisa Batista stated the rate was only projected because the valuation numbers and the tax rate approval would occur in December.

Michael Lombardo commented on the school budget and the use of the excess and deficiency (E&D) funds, which would allow for the school budget to spike in future years when the funds were used up. Bill Wilson noted the schools used \$550,000 in E&D. Mr. Lombardo recalled that the town used \$550,000 but there was more in free cash to use in future years. Mr. Wilson said the School Committee was currently budgeting so tightly, that there would be little E&D to devote to the reduction of expenses in the future.

David Wanger discussed the trilateral communication to discuss apportionment, which had been initiated by the School Committee. The agenda was solely regarding the dollar apportionment, which was not the message sent at the previous meeting. Scott Maddern said he wanted to see the data before a meeting would be scheduled to discuss other issues rather than just the apportionment. Other issues included Longmeadow Way, the Winthrop School, 86 acres of tax free land devoted to schools in Hamilton versus seven in Wenham, a majority of representatives on the School Committee being from Wenham, and shared services such as information technology. Bill Wilson added that the Town should think of other uses for the school land if enrollment continued to decline.

Bill Wilson recalled Mike Lucy (Wenham FinCom) said the Towns needed to look at the \$30M school budget, which was considered expensive for towns of this size. Allison Jenkins referred to the collective bargaining agreement, in which the schools bargained at a percentage above the Town, which affected the Town Hall employee morale as their COLAs were less than the schools. Mr. Wilson wanted to look at the administrative contracts. David Wanger said there was limited control over the schools and there was a need for a collaborative effort by both Towns to influence the schools. Mr. Wanger suggested obtaining the data, studying it, and giving the school the Town of Hamilton's agenda in concert with Wenham, then set up the meeting.

David Wanger noted the capital improvement expense category was \$551,000 with a separate schedule that itemized expenses. The \$550,000 could be used to fund the capital expenditures. Michael Lombardo added it was good to use free cash to reduce one-time expenses, saving borrowing capacity to fund bigger projects over years. Financial Statements would show the depreciation of assets, according to Marisa Batista.

Phil Stearns asked about the water expenditures to which Marisa Batista responded that the Town borrowed \$1.9M, which was authorized in the past so it was not in the capital expenses. Debt service in the water enterprise had decreased. Michael Lombardo said the DPW had \$2.8M in projects this year. There was \$3M left in the bond designated for water distribution. There were challenges at the water plant and Tim Olson might request to use the funds for filtration or storage.

Scott Maddern asked about Tasers and their costs. Michael Lombardo responded that Police Departments were moving toward non-deadly force.

General Fund borrowing of \$90,000 to supplement Chapter 90 funds was discussed by David Wanger, who thought there was a balance in the Chapter 90 fund. Marisa Batista said there was a need for \$190,000 but Tim Olson decreased it by \$100,000 while trying to use Chapter 90 to supplement it. Michael Lombardo added that there was budgeting of \$50,000 for sidewalks included. Ms. Batista said she considered infrastructure as capital but it had been budgeted in the operating budget in the past. Mr. Lombardo said there was a need for total reclamation of some of the existing sidewalks.

Michael Lombardo said one police car would be traded in each year, with a second every third year. The dump truck was a replacement. Mr. Lombardo thought there was a good balance between staff and trucks currently but there was a need for GPS technology.

\$100,000 was requested to provide Phase II Stormwater Management changes, according to Michael Lombardo. Funds would be used to hire an engineering company to get the Town into compliance with the federally mandated Stormwater Regulations. Nick Tensen spoke of the five year plan, which he thought should be updated.

Bill Wilson and Michael Lombardo discussed the \$150,000 for the sidewalk plow, which could be used year round. Jeff Hubbard discussed the renovations of the gazebo at Patton Park and asked about capital expenditures for the Patton Homestead, which had \$460,000. Bill Wilson described the mowing bills, which were billed back to the Homestead Fund. In response to Jeff Hubbard's question regarding the \$40,000 per year needed for the operation of the property, including electricity, Mr. Lombardo responded that they were in the budget. Mr. Wilson suggested that in the future, heat and electric costs should be separated from the budget.

Marisa Batista said Appendix B showed an increase of .03%, including the schools, without the schools would have increased 2.0%, including capital expenditures. Allison Jenkins thought it was not clear as it appeared that some positions were getting up to a 20% raise. Michael Lombardo said there were steps in it, which would show a 4% increase, but Ms. Jenkins noted the appendix showed a 5, 6, 14%, and 19% increase. Ms. Batista responded that some departments scheduled overtime hours, which were built in. In Finance, there were 15 hours of overtime and next year, there would be 30 hours. Some departments, including COA, Town Clerk, and Recreation would increase their full time hours from a 37.5 work week to a 40 hour work week. Ms. Jenkins noted that she had never heard that the exempt employees were being increased 2.5 hours per week. The new salary was based on the wage grid. Ms. Jenkins said it didn't appear transparent. Bill Wilson noted personnel costs were 50% of the discretionary non capital expenditures and thought having an organization chart would be helpful to understand the structure.

Scott Maddern had questions regarding the line items in the General Fund including facilities with a \$50,000 decrease in the operating expenses. Bill Wilson wanted to include 2% for a Selectmen retreat, which would be in the operating expense.

The Finance Department budget dropped by 18% in operating and capital expenses. Marisa Batista said she dropped her consultant's budget, which resulted in a portion of the reduction. The policies would remain in the budget. In FY17, consultants were partially used for tax rate, free cash, and other services but Ms. Batista did not need the services. Bill Wilson suggested using a RFP for auditor services but Michael Lombardo did not agree it was appropriate for FY18.

Scott Maddern and Michael Lombardo discussed funding for legal assistance. Mr. Lombardo noted that labor counseling was not budgeted for the previous year, so actuals were higher. Donna Brewer's retainer increased from \$30,000 to \$31,000. Litigation was \$90,000 as a separate line item, which was for services that did not fall within the retainer.

The administrative assistant's hours in the Town Clerk department, was proposed to increase from a 32.5 to 37.5 hours per week. It was noted that the Town Clerk had always been an elected position with undetermined required hours spent in the office. It was agreed that increasing the administrative assistant's title to interim deputy clerk, allowing for the signing as clerk, and using volunteers and possibly an extra person, might assist in ensuring staff presence in the Town Clerk's office. It was determined that the Town Clerk position would change to 37.5 hours per week.

There was \$13,000 left of the \$50,000 Warrant Article for Zoning By-law changes. There was a 5.4% increase in salary attributed to minutes and Planning Administration. A Master Plan, which was currently out of date, would cost about \$75,000. Marisa Batista said it should be kept separate from the operating budget.

Health care was discussed with Scott Maddern saying a reduction from a 12% to a 7.5% increase was not good enough. David Wanger noted that the school health insurance only went up 5%.

There was a \$50,000 drop in operating expenses for facilities, which Marisa Batista attributed to undone projects. During most years, only \$24,000 was spent. Inspectional Services changed due to a previous employee at a higher step being replaced by a new employee who was part time in FY17 and would be at a lower step in FY 18.

Regarding the Emergency Center, Michael Lombardo announced that he was engaged in a study with Manchester and Danvers, with Hamilton being the necessary backup while keeping Hamilton as the 911 provider. Wenham contributed \$19,000 for retirement from when they were on board with Hamilton. David Wanger said he would reengage with Wenham after ATM regarding dispatch.

LED streetlight caused a \$20,000 drop in costs.

Waste costs reflected the new contract presented as part of the General Fund versus the Waste Enterprise Fund. David Wanger noted FinCom's desire to keep track of waste related revenue and expenses. Marisa Batista said there would be a line item for that. Nick Tensen recalled that when there was a division between trash and recycling, the Town moved to recycling, which was less expensive so there was a need to track that. John Pruellage requested a running gauge on tonnage to determine increases and to investigate sharing days with Wenham to see if there was a cost savings.

Allison Jenkins looked at the 21% decrease for parks and fields but thought there was a significant increase from FY17. Historically the costs was under \$40,000 but were now \$61,000. Marisa Batista said there were a certain number of weeks that were allocated to the parks, including eight weeks for a heavy equipment operator, which was reduced in the other departments. Public works, highway, cemetery, and water departments would each be reduced. Personnel was flat, but was allocated separately.

COA increased significantly but the increase was attributed to the personnel change from 37.5 to 40 hours. Allison Jenkins recalled that the position was increased over the years from half to full time, full time with a part time assistant, and now from 37.5 to 40 hours per week. Bill Wilson responded that the Director in Wenham was also full time and there would be an opportunity to combine services. The Formula Grant paid for \$13,500 of that wage, according to Michael Lombardo. Ms. Jenkins thought merging the COA would be a benefit for both towns.

Veterans' benefits were discussed. There were two veterans who benefited from the program. Jeff Hubbard said the administrative fee was off. Hamilton's share increased from \$30,000 to \$33,000 with the total budget increasing from \$49,063 to \$58,603. Mr. Hubbard did not advocate for the increase and Michael Lombardo suggested going to Beverly for a different jurisdiction. The percentage back was on the revenue side, according to Marisa Batista.

The meeting room at the library was discussed with hours being an issue. It was noted that HWcam could be wired on site to increase the meeting room potential. HWcam's budget was limited to Verizon and Comcast funding. Allison Jenkins noted there was no technology funding in the budget. Other joint discussion included the pool, which would be self-funding. While the Recreation Director estimated selling 100 memberships in total, 25 were sold the first day. Nick Tensen noted there would be a separate revolving fund for the pool.

Salary reserve existed to cover the collective bargaining agreement, which would occur in FY17.

Prior years' capital was in individual departments but was now under department 149 according to Marisa Batista. Different detail would show prior years for capital expenditures.

David Wanger explained that the stabilization fund, net of funds earmarked for Patton and turf fields was just under \$800,000. There was \$1.9M in free cash and \$2.5M in levy capacity.

Fire Department Regionalization Strategy

Scott Maddern recalled that Phil Stevens reported the need to go to full time fire fighter staff and that services delivered were medical rather than fire. Michael Lombardo said the Town did not have regional fire expertise and Metropolitan Area Planning Council should be contacted. Nick Tensen noted the pressure to get away from a volunteer department may happen if the Town went through the State as it may become mandated to be full time. Michael Lombardo did not think it would happen. Mr. Tensen said the status quo was the least expensive with merging being more expensive. Mr. Lombardo responded that a regional service would go beyond Hamilton and Wenham.

Citizen Petitions

David Wanger asked that no public funds be used for the study at Longmeadow. The Patton Board of Directors would be at the April Board of Selectmen meeting to discussion their proposal. Michael Lombardo was concerned about town staff at the Patton Homestead and to whom they would report. The Board of Selectmen could not accept the report due to procurement law until after the RFP was due. David Wanger said the current language of Citizens' Petition was vague as to dollars even though the concept was there. Of the Citizens' Petitions, the Selectmen supported the Longmeadow study, supported no action on the bridge dedication and Patton used for affordable house, and supported the Patton fund. Mr. Wanger said the FinCom would make no recommendation, but would make comments and issue concerns regarding the Longmeadow study based on the affordable housing component. The FinCom cannot be part of the study group, because of potential appropriation issues. The FinCom cannot serve on any other committee but could be a liaison.

Motion to adjourn the Hamilton Selectmen meeting made by Bill Wilson,  
Seconded by Shawn Farrell.  
Vote: Unanimous to adjourn at 11:11am.

Motion to adjourn the Hamilton Finance and Advisory Committee meeting made by John Pruellage.  
Seconded by Darcy.  
Vote: Unanimous to adjourn at 11:11 am.

Prepared by:  
Marcie Ricker  
Marcie Ricker

[Signature] 4/18/17  
Attest Date  
[Signature] 4/18/17