

HAMILTON FINANCE AND ADVISORY COMMITTEE  
Minutes of Meeting  
March 1, 2017

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

Others Present:

This Hamilton Finance and Advisory Committee meeting was called to order at 7:00 pm at the COA building 299 Bay Road.

**Public Comments**

None

**Discussion with/Presentations by Proponents of Citizen Petitions for ATM**

David Wanger noted that Bill Shields had already spoken with the FinCom regarding his petition.

**650 Asbury Street Citizens' Petitions**

Peter Britton said he heard from townspeople about why the Affordable Housing Trust (AHT) was not exploring Town property for affordable housing and in response, decided to issue a Citizens' Petition to decide if the Patton land should be used for affordable housing. As there was a need for an RFP, the article would be written by the Town Moderator. State law indicated that leasing of Town land would be limited to 30 years. Town Counsel had found a lease for a hockey rink for 50 years. David Wanger said the amendment would need to be made on the floor.

David Wanger asked if Mr. Britton had spoken with Joanne Patton regarding the proposal. Mr. Britton said housing for veterans and families had a positive response by Mrs. Patton. There was a barn, the Homestead, and the stable on the four acre parcel. Mr. Britton did not think the 26-28 unit, senior housing and family housing proposal would detract from the use of the Homestead. 25% of the affordable family housing would serve veterans. According to Mr. Britton, a 20 unit senior housing proposal at 49 Willow St. could combine with the Patton project. Both properties would need to go out for an RFP. The Town Manager would determine the terms of the lease agreement with the winner of the RFP. According to Mr. Britton, the Board of Selectmen did not have the right to negotiate on a piece of land without a 2/3rds vote of Town Meeting. The origin of the four acres was based on Harborlight's being able to move things around based on a number of units being able to fit tastefully.

Carin Kale said the plan indicated the housing development would go where the parking lot had been approved to be located. Ms. Kale said uses on the property could not be solidified until the parking lot and ADA renovations were completed. If the parking lot was deleted, there could be no use for the Homestead. Ms. Kale said the gift agreement was to be for the benefit of the Town and while it would be advantageous to include affordable housing, it would take away the

opportunity for residents to utilize and appreciate the property. Four acres had already been sold off to address senior housing, so the property had already addressed housing issues.

The gift agreement had been modified due to site constrictions, moving the housing from the proposed bluff to the location where it was constructed currently, according to Marc Johnson. If more land was sold, the Patton family had the right of first refusal. Mr. Johnson added that Town Meeting would vote again on the lease once the RFP was awarded. Phil Stearns said the Selectmen would only have the opportunity to look at housing on the site. Mr. Johnson said the Selectmen had the authority to do this currently.

Peter Britton said there was no intent to demolish the stable and barn. It was agreed that the stable and barn were historically significant and should remain part of the Homestead. In response to David Wanger's question as to whether the gift agreement precluded further residential development, Marc Johnson responded that there were 12 units to be built in a specific location, which was later amended to designate the current location. Peter Britton referred to the gift agreement in Paragraph B, Section 2, which indicated that land could not be sold for moderately priced housing. Mr. Britton asserted that the proposal did not include selling the land but would be a 50 year ground lease. Marc Johnson asked Mr. Britton to read Paragraph B, Section 1, "The development of the parcel will be consistent with the rural nature of the neighborhood." Mr. Britton and Mr. Johnson debated what was allowed versus what was envisioned in the agreement. Mr. Britton did not believe there would be a problem with a long term lease. Mr. Johnson agreed that a lease was not a conveyance.

#### Patton Fund Proposal

According to Carin Kale, \$145,000 in tax revenue was received from the condos that had been constructed versus \$34,000 that had been collected for the Patton property. The Homestead goal would be self-sustaining and be a benefit to Town residents. The Warrant Article being brought forward was to create a fund that received revenue and expenditures with balances being available for capital improvements. The Stevens Estate in Andover was compared, which had a transparent Enterprise Fund. Currently there was no way to track expenditures on the Patton Homestead. The proceeds of the Homestead would pay for a part time employee who would look for grants and programming. At the Stevens Estate, the part time person reported to the Director of Economic Development. The Wenham Museum received about \$300,000 in grants currently and they thought that the Homestead would bring in more than \$250,000.

David Wanger said the phrasing was noted as being funded by Town appropriations and revenue. Marc Johnson said the Town Manager and Town Counsel had modified it. Mr. Johnson said the idea was that within a year, the Homestead would be self-sustaining. Mr. Johnson added that within the first year, events would begin in the fall. In the first half of the fiscal year, the renovations and associated costs would be paid for out of the current budget set aside for the property and events. Currently some costs were charged back into the DPW budget and some to the Homestead Fund. There was \$513,000 in the Homestead Fund as of earlier this year, which had been paid down but then CPC funding was added back into it for the roof repairs. Mr. Wanger said the wording was not specific and asked to have an amendment added to make it clearer, including how the current fund would be transferred into this new fund.

Carin Kale recalled there was an additional grant pending for \$330,000 to add to the fund. Mass Cultural Council would possibly award the grant in the summer. Ms. Kale said renovations for ADA compliance and parking were necessary before events could occur. David Wanger asked Ms. Kale to specify if, under the initial taking, there were a transfer of the current fund at once to the new fund and if, once the renovations were completed pursuant to the expenditures, there would be an Enterprise Fund created to ensure it was a self-sustaining undertaking. Nick Tensen compared it to a business that created an investment, then generated revenue to self-sustain. Mr. Tensen wondered what would happen if the revenue did not come in. Ms. Kale said it would

the schools were willing to trade something else from their capital needs in exchange for it. Mr. Tensen noted losing tax revenue if affordable housing was not constructed and if the non-taxable schools were built.

David Wanger suggested that the FinCom take no position on the study committee and explain the rationale by expressing their concerns while honoring the process with citizens to come forward with ideas.

### **ATM Warrant Articles**

2.1 Prior year bills. \$61.99.

2.2 Compensation table.

2.3 Budget - General Appropriations. David Wanger looked at the bottom line of the General Fund Town Budget with the total for all being \$29,539,805. The Water Enterprise was \$92,500. Phil Stearns noted it was a reimbursement from the Enterprise Fund, which would become part of the General Fund and was not an expense. It should be in the revenue section rather than debt service. Phil Stearns and John Pruellage agreed it was acceptable. The Committee agreed to vote yes on 2.3 subject to confirmation of the numbers.

2.4 Water Enterprise Budget of \$1,876,071.00. The expense side had gone up \$130,000 in debt service and operating capital. The fund was reimbursing the Town for some of the capital expenditures in the past. Jeff Hubbard thought it was the \$5M capital expenditure that was increasing in debt.

2.5 Payment of wages in connection of a Chapter 90 project reimbursement assuming prior approval. There was not prior approval, so there became a need to fund \$4,100.00 as it was a deficit in the Chapter 90 funds. John Pruellage believed the one time cost was part of the audit notes.

2.6 Transfer of funds, a) cemetery sale of money for cemetery purposes for \$2,000.00, b) transfer from the Clark Property Fund to the Conscom for \$218.00, and c) transfer a sum of money from the Water Enterprise Fund to the General Fund for \$386,157.00.

2.7 Act on Community Preservation Committee recommendations. Jeff Hubbard defined the roles of the CPC and the FinCom with the latter being able to determine if the proposal was an appropriate use of Hamilton's CPC funds. Mr. Hubbard thought a lot of money was being spent with the Town Hall upcoming especially considering the decline in revenue. The FinCom agreed to hold on the article until they had the list of proposals.

2.8 Municipal Modernization Act would allow for not having an annual renewal of a revolving fund, if adopted. Phil Stearns said the wording did not include annual renewal, but David Wanger noted the reference to 53.5 which carried that message. Nick Tensen said a revolving fund was one that continued year after year with fees covering the base capital with reimbursement coming back into the fund.

2.9 Raise or appropriate \$65,000.00 to the Hamilton Development Corporation (HDC). Jeff Hubbard explained the meals' tax was about that number but it was not guaranteed that the money would go to the HDC. David Wanger said the purpose of the HDC was to enhance the commercial tax base and was unaware of any achievements in that direction. The FinCom was entitled to deny based on lack of performance. John Pruellage said the meals' tax was built into the revenue side. It may transfer out of free cash. Brian Stein would be invited to discuss the request. The FinCom would hold on the topic.

2.10 OPEB Trust was previously determined to go to \$100,000.00.

2.11 Application of the Bond Fund. David Wanger distributed Town Counsel's answers to previous questions regarding the Article. Phil Stearns thought some of the terminology was unclear but lowering the debt and payment of it seemed clear. Mr. Wanger noted that pursuant to the Municipal Modernization Law, there was a chance to reduce the amount needed to borrow. Nick Tensen was concerned approving something he did not understand. Phil Stearns suggested that as a template, with a premium cost of \$100.00, there would be an issuance cost of \$90.00. The \$10.00 difference could be deducted from the \$90.00 with a payment based on \$80.00. The FinCom agreed to approve, based on confirmation that this understanding was correct.

3.1 Delay implementation of the marijuana law. Phil Stearns said citizens of the State voted that

they wanted marijuana and asked if the Town had the right to change that. David Wanger recalled it was a temporary moratorium. Phil Stearns thought the State was trying to delay implementation for a year. Jeff Hubbard said the Town of Hamilton was an agricultural town where concern was that it might be grown commercially. Nick Tensen, Phil Stearns, John Pruellage, and Jeff Hubbard were all in favor.

4.1 Amend the By-law Chapter 34, to approve departmental revolving funds reflected language in the law.

4.2 Regarded hiring a consultant and the fees needed for that purpose.

5.1. Rescind the Waste Enterprise Fund. Nick Tensen did not think it should be disbanded.

John Pruellage hoped to have a debate on a proper Enterprise Fund but did not mind the proposal as it was not being used as an Enterprise Fund currently. Phil Stearns was sympathetic to having a Waste Enterprise Fund and abolishing it was like throwing in the towel. David Wanger said rescission was not a disposition for infinity and it could be reissued. Mr. Stearns said it was not working now. Nick Tensen said there would be a loss of information and the measurement of waste versus recycling would be lost. Line items to describe the difference could be fashioned with difficulty. The FinCom could continue to pursue the information. Mr. Tensen said when the Town went to the newest system of waste removal, the Town knew how much trash was being generated. Mr. Wanger suggested putting a hold on the proposal until more information was obtained.

5.2 Senior Tax Work-off Program would be increased from \$1,000.00 to \$1,500.00 for tax abatement in exchange for seniors working. The number was limited to 10 seniors with a \$15,000.00 cap. Income limitation may be a criteria. David Wanger suggested putting a hold on the topic until the FinCom received additional information.

5.3 Hold on Ground Lease for Patton Homestead.

5.4 Hold on the Trail Head Mini Park.

5.5 Asking for an amendment on Longmeadow Study and no recommendation made by the Fincom, however they would explain their concerns.

5.6 Holding on Patton Special Fund as noted previously

Motion in the aggregate of voting to recommend 2.1, 2.2, 2.4, 2.5, 2.6, 2.8, 2.10, 3.1, 4.1, 4.2, and 6.1 made by Phil Stearns.

Seconded by John Pruellage

Vote: Unanimous to approve.

### Adjournment

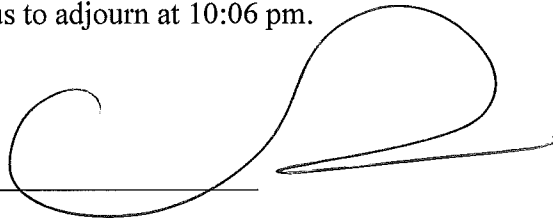
Phil Stearns made motion to adjourn the meeting.

Nick Tensen seconded.

Vote Unanimous to adjourn at 10:06 pm.

Prepared by:

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4/20/17

Marcie Ricker

Attest

Date