

HAMILTON FINANCE AND ADVISORY COMMITTEE
Minutes of Meeting
May 10, 2017

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

Others Present: Marisa Batista, Jeff Hubbard, and Bill Wilson

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

FinCom and Board of Selectmen Operating Relationship.

David Wanger noted that the FinCom's efforts had been stymied in the past. Their current interests were projects including PILOT, fees, fines, and interest, and comparing Hamilton with surrounding communities in terms of certain metrics. Mr. Wanger recalled that he had asked Michael Lombardo about Gordon Conwell's contribution to the Town, which was \$75,000 and not been paid. Mr. Lombardo reportedly responded that he would keep the FinCom informed about the Gordon Conwell gift as well as the possibility of an unpaid intern. Mr. Wanger said he had been charged with putting together a prospectus for an intern, which was sent to Mr. Lombardo in April. While Mr. Lombardo had indicated that he would review the prospectus in a day or two, allowing guidance before the meeting, he had not, which had imposed a hindrance.

Nick Tensen explained that the FinCom wanted to look at similar sized towns to Hamilton, and double the size, to compare with Hamilton and Wenham in an effort to analyze DPW and Fire Departments. Bill Wilson said that Marc Johnson had completed a comparative study in 2015. If the data set was considered good, the FinCom could update it. David Wanger wanted to know what fees, fines and interests were in Hamilton and compare the information with other towns.

Bill Wilson thought the FinCom could analyze affordable housing. In response to David Wanger's question as to why the responsibility would not be on the Affordable Housing Trust, Mr. Wilson responded that they were searching for properties, but wanted to have an assistant to analyze the data. The HWRSD Regional Agreement could be another FinCom project. David Wanger reiterated that the original initiative was fees, fines, and interest, PILOT and a comparative project to include towns similar to Hamilton. The FinCom was seeking assistance, and looking for an unpaid intern, but did not want to be politically imprudent by not involving the Town Manager.

David Wanger noted that the FinCom was interested in shared services with Wenham, but Michael Lombardo was working with Danvers and the FinCom had not been engaged in the

process. FinCom did not know what happened with Russ Stevens (Police Chief) and if they should have been involved. Bill Wilson said Chief Stevens was staying. Bill Wilson understood the communication link was missing. Mr. Wanger noted that the Joint Boards of Selectmen and HWRSD would start a working group that the FinComs would be involved in, but the FinCom had no idea the meeting was even taking place. While Mr. Wanger wanted the whole FinCom involved, Mr. Wilson said nothing would take place the following evening in regard to analytic review. Mr. Wanger added that if the School Committee had already done some work and wouldn't share the information, the meeting should be deferred. Mr. Wilson said the Town didn't need the data set, but would determine its own data and move forward.

The School Committee had made a recommendation that the apportionment would move to a five year plan, based on their research. David Wanger wanted to see the research. Mike Lucy (Wenham FinCom) reportedly said the School Committee should be apportioned between the Towns. Bill Wilson said he did not think the Town had good representation the previous year but this year, seemed more collaborative.

Marisa Batista said Michael Lombardo had indicated to her that he was in agreement that it was acceptable for the FinCom to get an intern.

Bill Wilson wanted to introduce himself to Gordon Conwell and ask about PILOT. Darcy Dale referred to an article that indicated that local officials should have more leverage with non-profits. Jeff Hubbard said a book at the library catalogued the history of Gordon Conwell students at the Hamilton schools, which seemed to be about 40 students. Phil Stearns recalled the physical therapy institute, which could be bringing in funds. Bill Wilson wanted to understand Gordon Conwell's and Pingree's ability to pay. John Pruellage had updates to the book at the library. Marisa Batista said the \$75,000 was a gift and not part of a PILOT agreement. Bill Wilson wanted the Selectmen to approach Gordon Conwell.

According to David Wanger, the Board of Selectmen and the FinCom needed to work collaboratively to determine what they wanted to achieve before the bargaining sessions began for the Regional School Agreement.

Bill Wilson said the FinCom could work on affordable housing and determine if the safe harbor calculations for the stock of housing were correct, as land devoted to parks, etc. had not been included and the numbers varied.

The 2014 School District Master Plan was discussed including, demographics, enrollment, choice, and special education. The intent of the study was to drive what facilities should look like for 21st century education. A new elementary school would cost \$40M and would take nine years to complete.

Phil Stearns recalled the COA situation regarding the relationship between Hamilton and Wenham. A final report was due for the ambulance later that week in Wenham.

Nick Tensen noted that labor negotiation contracts had never included the FinCom. David Wanger asserted that members of the Committee were trying to establish a foothold, which was energy that could have been spent on substance. Darcy Dale was interested in solar energy and the FinCom was interested in analyzing waste, with the hope it would return to an enterprise posture. Ms. Dale wanted to propose all new buildings with correct orientation be encouraged to have solar panels. Mr. Wanger added that the high school roof was an upcoming capital improvement project.

Discussion of using actual vs. budget as basis for future budgets

Jeff Hubbard thought the process was good and the quarterly report was great. It was agreed that the Committee could not always use percentages, but as a guide between quarters, it was helpful. Marisa Batista added that the \$40,000 for streetlights appeared to be a problem comparative, but it was due to the fact that the Town was experiencing a credit with National Grid. Ms. Batista warned about looking at FY17 actuals because there could be a story behind it. The DPW budget for the upcoming year reflected projects that were not completed. One would need to look at the actual to see if it was a real actual or projects not finished.

Jeff Hubbard asked if there was a threshold to look at after the first quarter to determine if there were inconsistencies. Debt service had the largest variance as it indicated only 16% of the budget had been spent but Marisa Batista responded that payments were scheduled in May that included a once a year principal payment. It was important to compare last year's third quarter with this year's third quarter.

John Pruellage asked Marisa Batista how she felt qualitatively where the Town would wind up. Ms. Batista responded that she did not anticipate any big surpluses. The DPW was completing sidewalks, which would be a large expense. As Ms. Batista was just now learning the Budget, she did not know all bills that would be paid for each month. Unemployment was a deficit because the previous DPW Director had filed. David Wanger wondered why there was no contest to the filing as there was just cause for the termination. Ms. Batista said she would check with labor counsel. There was discussion regarding having a Human Resource person or a combined job with purchasing.

Marisa Batista noted general insurance and veteran's services were over budget. More veterans were being served and administration costs had increased as well. David Wanger asked if combining with Beverly was an option, but Jeff Hubbard responded that the fees increased but more veterans were being served. It would not be helpful if Hamilton pulled out but a discussion would begin with Beverly in the event there could be savings.

Library expenses were discussed with this year having only cost 1% because the Town had not been billed by Wenham yet. John Pruellage asked about fields and grounds expenses. Marisa Batista said it was for the school and was a DPW revenue line item, so they crossed each other out. Ms. Batista said the workers tracked their hours, provided information to Wenham, and then Wenham billed the Schools. Ms. Batista added that other deficits would be handled through year end transfers.

Marisa Batista said September 15 was the deadline for State reporting and July 15 to run a warrant for encumbrances or invoices for services performed or items ordered. The Selectmen wanted to have the audit early. The audit would occur the last week of August.

Discuss FinCom Projects

Intern. David Wanger would call Northeastern University, Bentley University, Salem State University, and Gordon College.

Meetings with Wenham FinCom. The FinCom would await knowing the constituency and selection of the new Chairman.

Membership. Nick Tensen and David Wanger were both willing to be reappointed to the FinCom. The Moderator would nominate candidates alternatively and appoint everyone. The Committee discussed the position of Chair. David Wanger would accept the position. Phil Stearns appreciated Mr. Wanger's enthusiasm and willingness to push where pushing was

needed, which was helpful, making for a more functional committee.

Marijuana legislation. Darcy Dale would look for the 2% surcharge information.

Capital expenditures. Marisa Batista received a few e-mails from departments with capital goals, including DPW.

Marisa Batista said the file cabinets on the second floor were a concern. The document scanning project was suspended. It was budgeted for \$69,000. Ms. Batista was not comfortable with the vendor. Ms. Batista thought it would be best to let the vendor's contract lapse and then re-appropriate the funds next year with multiple vendors contacted. Ms. Batista wanted to move forward with the project but the potential new vendor would need to come in and review what needed to be scanned before giving a quote. There was not enough time as the funds had already been encumbered once. The funds would become a surplus and then there would be a new request.

Policy vendor. Marisa Batista received two quotes, but noted the Division of Local Services might allow the Town to apply for a grant. The Board of Selectmen were eager to have the policies completed but might consider waiting to apply for a grant. The grant had been issued in the past. Ms. Batista said the grant funds could be paid to another vendor, not just the Division of Local Services. The Committee thought the Town had survived for this long without the policies and waiting for grant money would be a benefit.

School District Agreement. While David Wanger was uncomfortable having one FinCom member in the working group, John Pruellage thought having too many people at the meeting would make it more difficult. Phil Stearns agreed. Mr. Wanger requested guidance as to positions to take. A Wenham Selectmen was noted as saying school committee membership or acreage should not be a part of the conversation.

David Wanger wondered what would happen if the Town said no. The FinCom thought in response, the School might propose a Warrant Article for Town Meeting. If that were the case, the FinCom would do the groundwork educating the public for any proposal at Town Meeting.

Committee Member Comments Reports

Nick Tensen said he attended the parking area meeting at the Patton Homestead. A simple, quick, inexpensive solution was proposed near the road to get the project moving. Some of the wall needed to be removed. The lot would be funded by the Patton Homestead account. Mr. Tensen said it was his impression that no one said no as to the project, but things were in place to let it happen. The building needed repair, but most events would be outside with small meetings inside. Jeff Hubbard noted ADA issues as well as occupancy for a residential structure.

Marisa Batista recalled that she had contacted the legal department of DOR asking questions for accounting. The original fund would be replaced with a new fund. Currently there was \$500 rental revenue from Gordon College for the archives. The gift agreement stated if the Homestead generated a surplus, 20% of the revenues would go to the Patton Homestead. Ms. Batista questioned what would go into the old and new fund. The Town would honor the gift agreement and put 20% into the Patton Homestead gift fund, which existed to preserve and maintain the Patton property. What was voted for was the creation of a special act fund to account for the operations. Ms. Batista said the Stevens Estate in Andover had an enterprise fund but no one knew if it was being accounted for correctly.

Other topics not reasonably anticipated as determined by the Chair.

The Committee discussed updating the webpage and possibly using the Warrant as a background.

Adjournment

Darcy Dale made motion to adjourn the meeting.

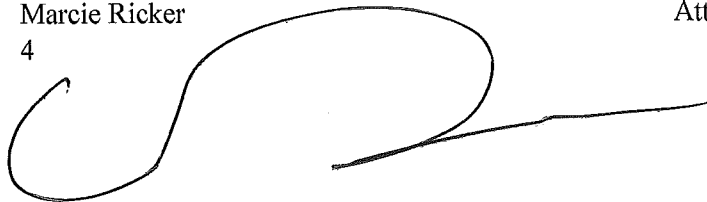
Seconded by John Pruellage.

Vote Unanimous to adjourn at 9:24 pm.

Prepared by:

Marcie Ricker

4

A large, stylized handwritten signature in black ink, starting with a large loop on the left and ending with a long horizontal stroke on the right.

Attest

Date

7/20/17