

HAMILTON FINANCE AND ADVISORY COMMITTEE

Minutes of Meeting
September 13, 2017

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

Others Present: Marisa Batista (Finance Director)

This Hamilton Finance and Advisory Committee meeting was called to order at 7:00 pm at the Hamilton Public Safety Building.

Public Comments

None.

Review and assessment of year-end Fy17 budget and related issues.

The Committee and Marisa Batista had discussed the topic at the previous evening's meeting with the Board of Selectmen. The waste account was transferred to the General Fund.

Expenditures for waste and recyclables were approximately \$50,000 for FY18. Nick Tensen wanted to know if the categories (waste, recycling and composting) could be defined. Revenue was received Waste Zero. Nick Tensen said the cost of composting was the same every week because the material was not weighed. Phil Stearns thought Brick Ends Farm charged to compost and in return the residents received compost back. Mr. Tensen was trying to determine if there was a change in cost between trash, recycling and composting. Michael Lombardo had sent an e-mail out that included the weight changes. John Pruellage suggested looking at information and costs which would be a proxy in behavior. Compost and recycling had declined and trash had increased. Mr. Tensen wanted to encourage recycling and composting for environmental reasons. A comparative analysis would hopefully be presented at Annual Town Meeting. David Wanger suggested moving the topic to the FinCom project category. Mr. Tensen would be the liaison to the other group who was studying the topic and they would be invited to the FinCom. Gretel Clark wanted to gather enough information for public education.

Discussion regarding fall STM, including discussion and consideration of potential warrant articles including those dealing with financial subject matter, participation by FinCom, and related process.

2.1. Budget adjustments related to the salary reserve originally had \$45,000 reserved for any placement on the wage grid or new contracts that were settled. Marisa Batista reported that two to three contracts had been settled and people were placed on the wage grid so the money needed to be transferred to departments themselves. Ms. Batista did not have the authority to do so until there was a vote. Ms. Batista's calculations totaled \$55,000 rather than the original \$45,000, so the Town was asking for an additional \$10,000, which would be derived from free cash. If a separate article was used, the funds would have carried over instead of needing a new appropriation. The original money rolled into free cash and the balance was closed out. While Nick Tensen noted that there had been a reduction of wages due to turnover, Ms. Batista

responded that the increase was due to contracts expiring and employees being placed on the wage grid. Some employees' salaries increased 2%, and others increased 6% depending on where they were placed on the grid. The table that went with the article showed the increases due to the new contracts, including the Assessor's, Town Clerk and Police departments. A correction of two Annual Town Meeting articles to transfer \$100,000 to OPEB and \$65,000 to Hamilton Conservation Commission were double counted due to the way the articles were written, causing a double appropriation of the two amounts. The language would change, but not the numbers. Ms. Batista thought the presentation of numbers was confusing.

2.2. A transfer of unspent waste funds (\$79,557) was being returned to the General Fund. The enterprise fund was voted upon but Ms. Batista did not have the authority to transfer the money. Town Meeting needed to approve the transfer.

2.3. Marisa Batista had conversations with Sean Timmons regarding the budget for the pool and the \$25,000 that should have been transferred from the Revolving Recreation Fund, which did not make it to Town Meeting for FY17 or FY18. When budgeted, the Recreation Committee agreed the Recreation Revolving Fund would help with camp and startup costs. The amount did not reflect an operational deficit but was rather a fulfillment of prior expectations. The pool started with a deficit right away due to startup costs. Hamilton did the accounting and Wenham contributed. There were six combined accounts with Wenham.

2.4. Marisa Batista explained that the item was cleanup work. There were numerous grant accounts on the books in a deficit for three years with no activity. Ms. Batista suggested funding the deficit and closing out the funds. Any deficits on the books automatically reduced free cash. Projects originally overspent what the grants had provided, some of which were explainable such as police detail, which would be reimbursed. The 911 grant was on a reimbursable basis. FEMA money was accounted as a miscellaneous revenue. Ms. Batista said some grants were matched but the total was charged to the grant so it appeared that the grant was overspent. The total deficit was \$46,000.

2.5. The item was the cost of a survey of open space. As an effect of Special Town Meeting approval of accepting the land as open space, the Central Avenue lot needed a survey for the lot for conservation designation and changes to the map that reflected open space.

2.6. The \$2,000 item was for a commemorative plaque for the first powered flight at Chebacco Lake, which was a historic event.

2.7. David Wanger suggested Dorr Fox or the Community Preservation Committee (CPC) be invited to discuss proposed projects. The Planning Board and Tom Catalano (Historic District Committee) would also be in attendance.

2.8. The Capital Stabilization Fund was recommended but was not funded. Phil Stearns said if the Town had free cash over any recommended percentage, the Town should fund it. David Wanger wanted to discuss tax rate mitigation as a combined pot for available money.

2.9. The item was a placeholder.

4.1. The item included By-law amendments, which were in response to the Municipal Modernization Act. Delinquent bills could be billed monthly rather than yearly and the original twelve month waiting period had been erased.

Pruellage said the savings was contingent upon a grant. Nick Tensen added that grants deteriorated.

Discussion of HWRSD Agreement, negotiations as to proposed amendments and Fincom's role.

David Wanger had nothing to report as Wenham had not accepted the menu of subjects to be included on the agenda.

Committee Member Comments/Reports

Phil Stearns reported that the School discussed a five year capital plan for \$18.5M to be spent over five years. The FY18 capital budget was funded out of operating expenses with \$210,000 in the budget approved, but in FY19 there would be \$2M in expense. The School had prioritized items based on safety, accessibility, and infrastructure. The School was accessing their need for the Longmeadow opportunity. The Towns wanted an assessment if they needed the land and if so, for what purpose. Another school was considered. The proposed turf field would be on the existing school site. The \$9M turf field was included as part of the proposed \$22M. \$3M was for a new roof in the high schools as well as other items. The \$25M for OPEB liability was not considered by the School. The legislature may establish a funding schedule similar to pension. Phil Stearns thought taking money out of the contribution for a playground was poor judgement. Level service would be proposed for next year, but Nick Tensen wanted level spending.

John Pruellage noted that the Town Hall Building Committee application to CPC was \$46,500 (\$12,000 for OPM and \$34,000 for designer in Phase I) a percentage placeholder for building costs, which was underfunded. An Owner's Project Manager (OPM) was needed to look at Town Hall needs and determine an initial assessment of the building. The proposed total project cost would be \$3M, which was about half of what it would likely cost. Essex Town Hall was \$6.5M. The CPC would also be considering \$162,000 for Brooks House renovations, which was owned by Hamilton Housing Authority.

Harborlight's interest at Willow St. was agreed upon with funding approved at last Town Meeting as the Town's contribution, according to Phil Stearns. The Affordable Housing Trust would be returning to CPC for money for Longmeadow. John Pruellage discussed the four Warrant Articles proposed by the Planning Board, including marijuana sale, cottage zoning, Great Estate By-law changes and Willow Street Overlay District changes. Mr. Pruellage noted the push back by the abutters to the Estate Overlay District By-law and that a 40B project would by-pass the Board while a special permit would be required under the By-law to develop one of the 19 properties. No district had been established for Cottage Housing, according to Mr. Pruellage.

John Pruellage described the cell tower approval process of the Planning Board. The Board approved the project 4-3 but a supermajority was required. Mr. Pruellage thought the minority voters retreated on old ground rather than the technicality that the applicant had not looked at alternatives sites. The majority had indicated the applicant had looked at Town sites. Nick Tensen and David Wanger agreed that the revenue issue from cell tower fees had turned into an expense issue for court costs. Mr. Tensen mentioned the service provided and Mr. Wager noted the absurdity of the Town suing the Planning Board.

John Pruellage said the Planning Board approved the gravel parking lot at the Patton Homestead.

Nick Tensen said the Planning Board approved the field at the high school as Phase I, so fundraising could begin. The proposed \$9M included more than just the field. Phil Stearns recalled that lights were proposed and abutters previously had objections.

David Wanger recalled that the FinCom money had been requested to use for immediate water needs, but the purchased material was not yet installed. Phil Stearns said the money needed to be used by the end of the fiscal year, but Mr. Wanger said the money would have been put into free cash. The water treatment plant would cost a total of \$1.5M including engineering.

Nick Tensen said the Director position for the Patton Homestead had been posted. The Recreation Department approved the \$9M athletic complex to be funded over time. Pool revenue and expenses spanned two fiscal years, but receipts were about \$88,000 and expenditures were \$90,000. Startup expenses would not be repeated. The general consensus was positive according to Mr. Tensen. There was a gate issue and a need to expand the perimeter as it was too crowded.

Bill Shields had spoken to the Longmeadow Study Committee and was encouraging the Recreation Committee to consider school use. David Wanger attended the first Longmeadow Study Committee meeting and noted that the Committee prioritized the subject of uses of the property, differing cost considerations. The FinCom had prepared questions, which were given to Bill Wilson. Mr. Wanger wondered if Wenham would have concerns about acquisition of the property.

David Wanger and Michael Lombardo had met with a positive outcome. Mr. Wanger was hoping to pursue the tripartite meeting and a Hamilton/Wenham FinCom meeting. Nick Tensen referred to the projects Scott Maddern was working on to include fire consolidation, turf fields, water and sewer system, School OPEB, Longmeadow, and capital projects. Mr. Tensen noted salaries for teachers increased more than 2%. Mr. Wanger pursued the capital schedule, which would be prioritized and OPEB. John Pruellage suggested looking at other school district information to compare. Darcy Dale would contact Brad Hill to determine if other school districts had OPEB funding in place.

Review and approve minutes

David Wanger related that FinCom's jurisdiction dealt with any and all municipal questions and that pursuant to the By-laws FinCom had an obligation to make recommendations on all Warrant issues. Since a goal of the FinCom was to have a better relationship with the Town Manager, Nick Tensen offered his concern of the tone of the previous minutes. John Pruellage suggested softening the language without changing the substance or detail. The minutes were tabled and would be rewritten to be less offensive.

Discuss agenda for next meeting.

The CPC would be asked to bring in those who were making requests. Tom Catalano, the Planning Board, and Dorr Fox would also be invited.

Other topics not reasonably anticipated as determined by the Chair

Adjournment

John Pruellage made motion to adjourn the meeting.

Seconded by Darcy Dale

Vote Unanimous to adjourn at 9:36 pm.

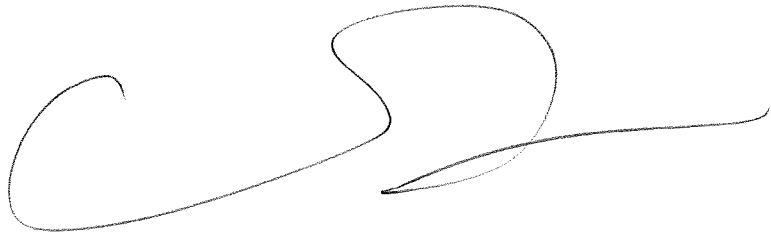
Prepared by:

Marcie Ricker

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Attest

Date

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a long horizontal stroke that loops back under the 'C'.

11/17/17