

HAMILTON FINANCE AND ADVISORY COMMITTEE  
Minutes of Meeting  
September 27, 2017

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

Others Present: Marisa Batista (Finance Director), Dorr Fox (CPC), Brian Stein and Patrick Reffett (Planning).

This Hamilton Finance and Advisory Committee meeting was called to order at 6:00 pm at the Council on Aging Building.

**Public Comments**

None.

**Discussion with Dorr Fox regarding CPC Special Town Meeting Warrant Articles. Review and potential vote on such articles.**

Dorr Fox distributed information regarding article 2.7. The request included \$7,800 for the removal of Japanese knotweed proposed by the Conservation Commission. This was the third time the Commission requested funding. It had been funded the previous two times. The ongoing project was being conducted by DeRosa Environmental on Town conservation land.

Also included in the request was \$75,000 for a State required Owners' Project Manager (OPM) for renovations to Town Hall. The funding request was based on a percentage of the cost of restoration. According to Patrick Reffett, the OPM would develop a scope of service to hire a designer. The OPM would oversee architecture and the contractor as an ongoing cost. The Town looked at the Essex Town Hall renovations, which were \$6.5M and ratcheted back the costs. The request would be brought to Town Meeting in the spring. Billing would include renewal of the OPM's contract annually. The RFP would include the price proposal component, adhering to Mass General Law. Due to State procurement procedures, it would take a long time to have someone on Board. David Wanger thought there might be a need to understand public perception and provide public education. Mr. Wanger suggested a visitation day. Mr. Reffett thought a model might help residents understand the differences between the existing and proposed Town Hall.

Dorr Fox said the third project was the Hamilton Housing Authority's request for \$162,516 for renovations at the Brooks House on Railroad Avenue. The Brooks House featured affordable housing and offices. The estimate team at the Housing Authority assessed the need after completion of several successful projects.

The open space account had \$61.52 remaining, the affordable housing trust had approximately

\$10, the historic preservation account had approximately \$116,800, and \$227,561 remained in non-committed general reserves within the Community Preservation funds, according to the Munis report. According to Marisa Batista, the numbers included projects that were approved at Spring Town Meeting. General reserves could be used for any of the three categories. Ms. Batista predicted that \$60,000 would be provided through State match. The numbers also did not reflect tax revenue for the next year. There would be \$697,000 in the General Reserves. After funding of the three projects, there would be \$527,000 in General Reserves. Affordable housing and open space would be the same but historic preservation reserves would go down to \$41,800 because the OPM money would be out of that fund. The Affordable Housing Trust would come to the CPC in the spring.

The OPM would be working on a project that was partially in a historic preservation eligible building with a portion being in a newer section. The portion that was not historic could not be funded by the CPC. Patrick Reffett said it would be determined after the plan was set. General bond obligation would likely be taken out.

**Discussion with Marisa Batista regarding free cash and applicability to potential Special Town Meeting Warrant Articles. Review and potential vote on such articles.**

David Wanger said the quarterly reports were excellent. Marisa Batista said free cash certification would be forthcoming before Special Town Meeting. The material had been submitted September 15, 2017. Ms. Batista estimated that it would be the same number as the previous year, \$2.8M. Mr. Wanger noted that the \$2.5M (a conservative estimate) and the \$900,000 in the stabilization fund and FinCom reserve created more than the 10% of the General Fund figure of \$28M. Mr. Wanger referred to the potential policy that would be developed with the State's assistance. The Committee planned on determining the combined total of \$3.4M and which buckets the money could be placed into such as a possible capital stabilization fund, General Reserve, insurance, and tax rate mitigation. Another possible use would be the individual articles that could be funded through free cash, according to Ms. Batista.

Marisa Batista explained the newly formatted table, which made the bottom line easier to read as it related to Article 2.1. The top table showed increases and decreases to appropriations. The general government increase of \$7,500 was due to the Town audit. The Town just discovered the need for a single audit, which was due to the Town receiving over \$750,000 in grant funding.

This was the first time the Town had met that threshold due to NEMA funding for the Bridge St. project. Ms. Batista explained the schedule of Federal awards and expenditures for the fiscal year. The estimated cost for the single audit included \$5,000 for Bridge St. and \$2,500 for the Hamilton Development Corporation (HDC) portion of the audit.

Public Safety was a decrease as the Fire Chief did not need to send new hires to the academy.

Health and Human Services (Board of Health) were hoping for additional funding of \$4,700 for a proposed new public nurse program and additional hours for the Health Agent due to increased Title V requirements. The Health Agent would supply a memorandum explaining her need.

Salary reserve increased \$10,000 for the settlement of the collective bargaining agreement by placing police officer reserves on the salary grid. Police raises incurred an increase of \$54,430.

The second table included salary reserve transfers to individual departments. Marisa Batista noted that the Town did not vote by line item but by function. David Wanger questioned free cash use, to which Marisa Batista responded that it was cleaner to reduce public safety by funding it through free cash.

It was noted that Article 2.4 was normally funded with free cash. Articles 2.5 and 2.6 for \$3,500 and \$2,675 would be paid via taxation or free cash. The Fire Department did not get the grant for the air packs, which would cost \$203,204 to be funded by free cash. The total for the Fire Department would be \$241,000.

written to encourage commercial uses. The new By-law reduced the square footage incentives, while still attempting to preserve the existing estate house and open space. Previously the By-law only allowed commercial development in new construction, while the new By-law allowed commercial and residential use in newly constructed additions or out buildings. Eligible lots would have a 5,000 sf estate house constructed before 1950 and be sited on at least 15 acres of land. Patrick Reffett added that it was by Special Permit so there was no obligation to approve applications. Mr. Reffett said the By-law would allow for the estate houses to have an additional life and keep Hamilton's character and tradition intact. Mr. Stein said abutters would like to see commercial use eliminated but the Planning Board decided that it should be kept as it was previously approved by a 2/3 majority at Town Meeting. Mr. Stein thought most potential uses would be residential and that non-profits could not be eliminated from buying one of the parcels.

Darcy Dale offered her concern that non-profits would buy a parcel and eliminate the tax revenue but Patrick Reffett responded that the reason the By-law was passed was to allow a company like New England Biolabs to come to town and create an increased tax base. Some properties were already under 61A which would be relinquished. Brian Stein noted the ability to provide a varied housing stock under the By-law. Mr. Reffett said the real motivating fact was to see the properties take on a new life contributory to the community.

3.4. Cottage Housing Overlay. Brian Stein referred to the survey conducted a year ago that indicated that residents wanted to see cottage housing. Public hearings would be held for the By-law that was applicable to lots of one to five acres. Cottages would be two bedrooms, 800 to 1,500 sf with density of 4.5 units per acre. 1.5 storied cottages would be constructed with open space and front porches facing the green area, creating a small neighborhood. There would be no attached garages. Footprints would be less than 1,000 sf. The cottage would be for downsizing and starter homes. A community building would be an addition to the development.

According to Brian Stein, the Planning Board had discussed where cottage housing could be approved. Mr. Stein would show the Planning Board an example of a layout. Nick Tensen suggested Mr. Stein show it at Town Meeting. Developments would be limited to up to 18 units, per year as well as by distance between developments. Darcy Dale asked about net zero housing, but Mr. Stein said it was hard enough to come in, buy a property, put in infrastructure, and build small units to do well.

John Pruellage asked what was next for the Planning Board, to which Patrick Reffett responded that the Board of Selectmen had priorities for signage and policy in regard to the size of the Planning Board. Brian Stein said the Master Plan would need to be completed again.

**Discussion regarding Special Town Meeting including discussion and consideration of other potential Warrant Articles including those dealing with financial subject matter and participation by the FinCom and related process.**

David Wanger recalled that he and Bill Wilson had discussed the proclamation and hoped the FinCom would vote to endorse the proposal. The Board of Selectmen would do the same and communicate the proposal at Town Meeting. Everyone on the Committee thought it was well done.

Motion made to endorse the proposed proclamation made by Nick Tensen.

Darcy Dale seconded.

Vote: Unanimous in favor.

**Discussion regarding joint meeting with the Board of Selectmen.**

Quarterly meeting dates had been scheduled with November 20, 2017 being set as the next joint

meeting date, which was after the first quarter report was out.

**Discussion/Status of various FinCom projects, including status and alternatives to use of intern.**

Patrick Reffett indicated that the Building Inspector would make a recommendation to the Board of Selectmen regarding fees, fines, and interest. David Wanger wanted Mr. Reffett and Darcy Dale to assemble a recommendation for the Building Inspector.

John Pruellage reported that he had spoken with Brian Ales, from Beverly regarding PILOT. Mr. Ales had recounted the evolution of gifts from Endicott College and Montserrat College of Art in Beverly. Landmark School was not paying. The Cabot Cinema did not pay a PILOT, but met with the assessors to determine nonprofit taxable rentals and a tax assessment based on the percentage of use. Landmark School reportedly offered to accept Beverly students at low or no cost, according to Phil Stearns. Endicott College made a yearly gift based on the properties that were purchased for the campus that would be deducted from the tax rolls as well as potential taxable uses such as the hockey rink being rented out for a total of \$170,000 per year.

John Pruellage noted that there was a strong preference to have revenue through taxes rather than PILOT as it could be counted upon. Gordon Conwell had cell towers, a day care, a nursery, an insurance agency and rental units, according to Darcy Dale. Assessor's questions were limited by State law. David Wanger referred to the letter from Michael Lombardo and wanted to be more specific about taxable items. Mr. Wanger was under the impression that Mr. Lombardo was going to amend the letter. Mr. Wanger would inquire about the status.

Phil Stearns announced that the Town Wenham sent out people to every property because work had been completed without permits and the assessors could see what had been done to determine real estate values, which was apparently very helpful. John Pruellage wanted to match the Beverly assessors with Hamilton counterparts to determine best practices. Mr. Pruellage added that Endicott College had expanded to use more water and had contributed to the upgrades to the water system in Beverly.

Darcy Dale recalled that fire drills had been conducted at Gordon Conwell, which took four hours. The Town was providing the seminary with many services without payment. John Pruellage said he thought a more precise approach should be considered rather than 25% of appraised taxes. David Wanger said the current year's gift had been reduced due to decreasing enrollment. While Endicott College created a vibrancy and off shoot businesses, Gordon Conwell did not.

John Pruellage discussed the tax implication of for-profit solar panels for nonprofit institutions, making the use no longer tax exempt. Darcy Dale said Pingree had scores of solar panels on utility buildings. Mr. Pruellage said if Pingree purchased the solar panels, there would be no tax implication, but if the company collected the energy and sold it back, it would be a profitable use.

Darcy Dale said she had a meeting with the energy manager and Tim Sanborn regarding smart rules and regulations for 2018, which would begin April 1, 2018. Ms. Dale noted the complexity of the regulations, which required training. Energy reimbursement was \$.50 per kwh but had been reduced to \$.28. Ms. Dale said that every year going forward, incentives would be reduced. David Wanger said that in addition to buildings, town-owned property could be developed as solar farms. Ms. Dale would put something together to create a pathway to implementation. Savings could total \$137,000 over 25 years. The financial assumption included \$27,000 in Federal tax credits, but Nick Tensen asked if a town was eligible for a tax credit as an individual would be. Ms. Dale responded that there was a municipal mechanism for savings.

Nick Tensen said he would meet with Gretel Clark regarding waste issues and that she would be invited to a FinCom meeting after Special Town Meeting.

David Wanger said he had met with Josh Liebow, the Chair of the School Committee and Gene Lee, the Chair of the Wenham FinCom. Wenham would be appointing a Fire Chief before the retirement date. The School agreed to reestablish the old practice of both Town FinComs meeting with Jeff Sands. Regarding the Regional Agreement, Hamilton had a lot of indicia on the table beside just enrollment and David Wanger suggested beginning with enrollment and layering in discussion of assigning values to the other elements, such as water and town services.

The Selectmen were driving the discussion with no substantive meeting set due to the absence of agreement of elements to be discussed.

The turf field was discussed and compared to the \$25M need for School District OPEB funding.

District bargaining contracts would be coming up. Darcy Dale noted the grant opportunity was missed. David Wanger said the School may be receptive to shared IT and equipment. The School did not have a concrete plan for the Longmeadow site. The School would make a list of their concerns. Bill Wilson said Jack Wilhelm supported the motion to study Longmeadow, but currently wondered who would pay for the acquisition. Mr. Wilson had suggested the Town had no need for the land but there might be a chance to parlay school use and affordable housing.

Superintendent Harvey said the School would need 12 to 18 months to discuss the topic and that a new school would be needed in each community. There was nothing on the Warrant regarding Longmeadow.

#### **Discussion of Association of Town Finance Committees Annual Meeting**

The meeting would occur on October 21, 2018 with concurrent seminars some of which pertain to work on the Board including budgeting, public record, open meeting law, credit and bond rating issues, health insurance trends, OPEB, capital planning, as well as how to make sharing and regionalizing services work.

#### **Agenda**

The next meeting would include the Warrant Articles and minute approvals.

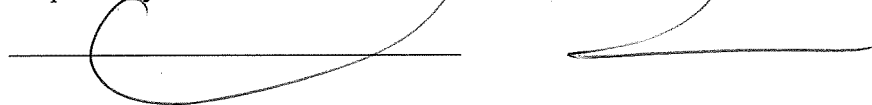
#### **Adjournment**

John Pruellage made motion to adjourn the meeting.

Seconded by Darcy Dale.

Vote Unanimous to adjourn at 9:13 pm.

Prepared by:



Marcie Ricker

Attest

Date

11/17/17